

From Rich to Richer / Stock Options Make the Difference

U.S.-Style Executive Pay Slowly Catches On Worldwide

By David Cay Johnston
New York Times Service

ROSE GERRIT HUY was a fast-rising executive at Daimler-Benz AG, the German industrial giant that makes Mercedes-Benz automobiles. A Harvard-educated economist, she was in charge of developing cars like the SLK roadster before she was promoted to head the company's finance and telecommunications subsidiary.

But last year, Ms. Huy, 43, quit Daimler after 11 years to become Compaq Computer Corp.'s managing director in Germany. Not that her Daimler salary was skimpy, but the Texas-based computer maker offered something that could catapult her into vastly greater riches: stock options.

Ms. Huy would not disclose the size of the options package that lured her away, but these numbers provide a clue: While the chairman of Daimler holds a form of options worth less than \$1 million, the options of the Compaq chairman are worth more than \$188 million at last count.

For the last two decades, even as the global economy has demolished national barriers to trade and investment, the executive pay gap between America and the rest of the world has widened dramatically.

That is largely because the political cultures of many European and Asian countries recoil at the idea of lavishing vast riches on capitalist chieftains for a single year's work. Many Europeans were left aghast by pay packages like the \$49.9 million that the Travelers Group chairman, Sanford Weil, collected in 1997, or the more than \$556 million that Michael Eisner, chairman of Walt Disney Co., made in 1997 by exercising fewer than half of his stock options.

Now, though, that attitude is changing, albeit slowly. To stem a drain of executive talent to their American rivals, big corporations in Europe and Asia have begun pressing their governments to modify securities laws and accounting practices that discourage jumbo pay packages.

Stock options give the holder the right to buy shares at a given price over a specified period, usually 10 years. If the stock surges, the holder can exercise the option, sell the stock at a much higher price and pocket the difference.

"The rest of the world is moving to our pay model," said Kevin Murphy, a University of Southern California finance professor and a leading expert on worldwide executive pay. "Maybe that movement is out of efficiency, maybe it is out of greed — we don't know which yet — but the trend is clear."

Graef Crystal, the editor of an executive-com-

pensation newsletter who once designed executive pay plans, took a more jaundiced view. "The virus," he said, "is now spreading around the world."

Last year, for example, Japan revised its commercial code to allow stock options. Already, 160 companies, including Sony Corp., the entertainment and electronics concern, have adopted option plans, according to Bob Buford, a compensation specialist who works with many Japanese companies.

The invasion of American-style pay plans, including stock options, is uneven in Europe, specialists say: It is happening faster in the high technology sector, and slower in manufacturing and heavy industry. But it is having a big impact wherever it is found, and the recent turmoil in global stock markets, although it may have cut the value of some compensation packages, is unlikely to have any long-term effect on equity-based pay.

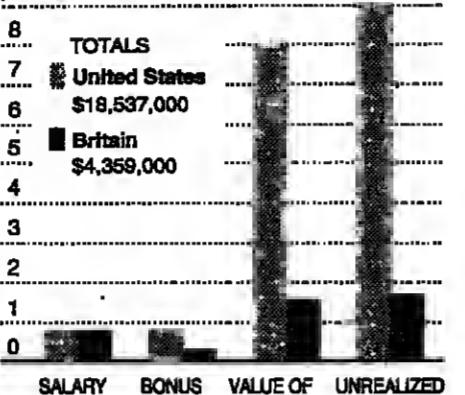
In France, the Netherlands and Australia, a few companies have started adding options and other forms of equity to executive compensation packages, a practice that the British began widely adopting in the early 1980s. The world is now moving to the U.S. model because it works very well for shareholders," said Steven Kaplan, a finance professor at the University of Chicago.

Even in America, where offering stock options is widespread, the practice is controversial, especially when poor-performing executives

Shares Make All the Difference

American executives typically earn much more than their counterparts abroad. With base salaries relatively equal, the difference is almost entirely due to stock options. Britain has been adding stock options and other forms of equity to executive pay, but it still far behind the United States.

Median compensation for CEOs of large companies in 1997:



Source: William M. Mercer Inc.

walk away with multi-million-dollar payoffs either because their stock has been held aloft by the bull market or because the exercise price has been reset downward.

Despite all the criticism, other countries are embracing the practice. In London, Paul Hodgson, an editor at Income Data Services, which tracks executive compensation at British companies, said that the "only difference is in the size of pay, not the components, which are going toward the U.S. style."

While options in Britain have tended to be modest, Unilever PLC, the British household-products maker, and Marks & Spencer PLC, Britain's largest retailer, are moving toward American-style mega-grants.

Some companies, including SmithKline Beecham PLC, the drug concern with major operations in London and Philadelphia, and Four Seasons Hotels and Hilton International, a unit of Ladbrokes Group PLC, the multinational lodging companies, have made all or parts of their compensation packages identical regardless of where an executive is stationed.

Compensation experts call such plans "global pay." Translation: pay on an American scale.

These experts say global pay eliminates internal tensions that arise when, say, the home office executives in Brussels or Osaka make less than their subordinates in Chicago or Los Angeles.

The disparity in pay between American companies and the rest of the world came into sharp focus in May, when Daimler agreed to acquire Chrysler Corp., whose No. 2 executive made more last year from salary, bonus and cashing-in options than the top 10 Daimler executives combined.

Both Daimler and Chrysler have told share-

holders that the new DaimlerChrysler will have separate pay plans for executives in Stuttgart and in Detroit, an indication that it does not plan to quickly equalize pay. But Daimler is also planning to ask shareholders to approve a new equity pay plan, a spokesman for Daimler said.

ROBERT EATON, the No. 2 Chrysler executive, predicted that German and American executives at DaimlerChrysler would someday be paid similarly. "We have to be competitive," he said.

The trend toward raising the compensation of executives at multinational companies to the levels in the United States has encountered all sorts of opposition — even from the very executives who stand to benefit from it. Alan Johnson, a compensation consultant in New York, said many European and Asian executives he has worked with showed an obvious distaste for huge options payouts.

"I have been surprised that it is not just a legal, wake-up-and-smell-the-money issue," Mr. Johnson said, "but it is deeply rooted in their culture and views that you just don't seek unlimited money."

Mr. Johnson predicted that like Daimler, "most companies will change in baby steps." He added, "It will take a decade or so to get like the U.S."

Europe's high income-tax rates can make such perks as cars, chauffeurs, gardeners and lifelong health benefits as big a draw as options. And European tax laws discourage companies from making bountiful options awards by treating them as a deduction on the corporate balance sheet rather than as a deduction on their taxes. As a result, European stock-incentive plans are often watered-down versions of their American counterparts.

■ French Broadcaster Offers Options

Canal Plus SA's board offered its management stock options at a 40 percent premium to the share price as an incentive to return the biggest European pay television company to profit, Bloomberg News reported from Paris.

Jean-Marie Messier, chief executive of Vivendi SA, the company that became Canal Plus's biggest shareholder this year, told an investors' seminar in Paris Thursday that the board approved the plan at its last meeting.

Mr. Messier is stepping up pressure on Canal Plus's management to improve results.

Canal Plus, the pioneer of pay-television in France and the first company to launch digital satellite television in Europe, predicted in March a loss of about 600 million French francs (\$102 million) for this year.

U.S. Says It Didn't Know Sudan Plant Made Drugs

By Tim Weiner
and Steven Lee Myers
New York Times Service

WASHINGTON — When the United States launched cruise missiles against a factory in Sudan on Aug. 20, it was unaware that the plant made medicines, according to Defense Secretary William Cohen.

But he insisted that the incomplete intelligence was irrelevant to President Bill Clinton's decision to destroy the plant. He said the attack was justified by information showing that the plant made EMPTA, a key ingredient for VX, a nerve agent, and might be linked to Osama bin Laden, the Saudi millionaire suspected of ordering the bombing of the U.S. embassies in Kenya and Tanzania.

The financial connection between the plant and Mr. bin Laden was at most "indirect," Mr. Cohen said Wednesday, modifying his assertion on the night of the attack that Mr. bin Laden had a direct link to it. Mr. Cohen also said the United States did not learn until several days after the attack on the plant that it made medicine.

Criticizing the attack, the Sudanese ambassador to the United States said Wednesday that it showed Washington's "Wild West, shoot first, boys, and ask questions later" philosophy.

In a meeting with senators Wednesday, the Central Intelligence Agency again asserted that its discovery of EMPTA near the factory was proof that the plant could be used by terrorists.

The CIA sent an agent to the plant, and that agent took a soil sample from inside the plant's gates, a few yards from the building, officials said. The soil contained more than twice the level of EMPTA that would be considered a trace, the director of central intelligence, George Tenet, told senators Wednesday.

The United States insists there is no reason for EMPTA to be found in a pharmaceutical plant. Others, however, say it could be confused with pesticides that have similar characteristics. The international body that seeks to eliminate chemical weapons says that theoretically there are other uses for EMPTA, though it does not know of any commercial products using it.

The Sudanese ambassador to the United States, Madhi Ibrahim Mohammed, insisted that the plant was not part of an Iraqi-backed effort to make weapons for Mr. bin Laden.

"This plant was not manufacturing chemical weapons for terrorism," he said in a speech at the National Press Club. "It was engaged in manufacturing human and veterinary medicine, and was an approved supplier of export medicine under the UN's food-for-oil program. The UN licensed the Sudan to send medicine under that program, under the supervision of the UN, to Iraq."

U.S. officials said Wednesday that the United Nations contract, awarded in December, had never been fulfilled.

The ambassador said his nation would have helped root out suspected terrorist operations if Americans had asked.

He met on Tuesday with Susan Rice, assistant secretary of state for African affairs. She told him the attack was "not against the Sudanese people, and not against the Sudanese government, but against a facility where we had very credible evidence that this chemical was being produced," an American official who was at the meeting said.

Pioneer in Battling AIDS Victim of Swissair Crash

The Associated Press

HARVARD University's School of Public Health, where he was a professor of international health and epidemiology. He was also director of Harvard's Francois-Xavier Bagnoud Center of Health and Human Rights.

The Boston native headed the UN's AIDS program from 1986 until 1990, when he resigned, asserting that Mr. Nakajima's attitude "completely paralyzed our efforts."

Dr. Mann's death is "a terrific loss for the whole AIDS community because his name and voice are very familiar to anybody who works on this issue," said Larry Kessler, executive director of the AIDS Action Committee of Boston.

"I think his only regret was that he could never find enough money worldwide that would make a big enough dent in this epidemic," he said.

Dr. Mann had intended to become an eye doctor, but became interested in public health when he worked after



Dr. Jonathan Mann and his wife were among those killed in a crash.

graduation in New Mexico for the Centers for Disease Control. He switched to the state's public health department, where he stayed for 10 years.

After that, Dr. Mann accepted an offer to spend a year in Zaire setting up an AIDS research facility under the auspices of the World Health Organization.

Israeli Public Workers Strike

Reuters

JERUSALEM — Government offices, the phone and electric companies, ports and schools throughout Israel were shut Thursday as 300,000 public sector workers began a strike for pay increases.

Finance Minister Yaacov Neeman warned that the action could destabilize the economy at a time when it was vulnerable to turmoil from world financial markets.

The Histadrut labor federation called the open-ended strike after talks with the Treasury over its demand for an 8 percent raise broke off Thursday morning.

Unions said the strike targets included state-owned Bezeq Israel Telecom, Israel Electric Co., government offices, courts, and the port authority.

Ben-Gurion International Airport near Tel Aviv, banks and the Tel Aviv Stock Exchange were excluded from the stoppage, which began at 6 A.M. Teachers have been on strike since Tuesday in a separate wage dispute.

Mr. Neeman called on union leaders

to return to the negotiating table and promised an agreement that would protect their salaries against inflation.

"I call on them to return immediately to the negotiating table, to talk and try to distinguish what things are possible within the range of what Israel can do," Mr. Neeman said.

He said the government's hands were tied by the need to maintain stability at a time of volatile global financial markets. "We cannot damage the Israeli economy in this grave situation," he said.

A Histadrut spokeswoman, Rachel Turgeon, said the Treasury had left the workers no choice.

"An entire year of negotiations failed to reach agreement so we were unable to prevent the strike," she said.

Prime Minister Benjamin Netanyahu, who on Tuesday had portrayed Israel as an "island of stability in the heart of a global storm" unleashed by Russia's economic crisis, called the stoppage irresponsible.

"I think it is just a scandal," he said.

WEATHER

Europe

Forecast for Saturday through Monday, as provided by AccuWeather.



Very hot weather across southern China and northern India with temperatures still running much above normal. An active storm system is moving across the British Isles and southern Scandinavia. Heavy thunderstorms activity across the South East, possibly delaying flights into London and Paris. Heavy winds will delay flights into Korea and the islands of Japan. A tropical low pressure system will affect the route across southern Europe.

Heavy rain will affect the Philippines Monday.

Asia

Tuesday High Low Wind CDF Tomorrow High Low Wind CDF

Almaty 30/20 22/11 5 32/29 22/21 5 33/31 22/21 5

Bangkok 33/31 26/29 5 33/31 26/29 5

Beijing 30/29 24/27 5 29/28 25/27 5

Chengdu 32/30 24/27 5 32/30 26/29 5

Chong Mai 29/27 24/26 5 27/26 25/27 5

Colombo 29/27 24/26 5 27/26 25/27 5

Ho Chi Minh 29/27 24/26 5 29/27 25/27 5

Hong Kong 29/27 24/26 5 31/28 26/29 5

Kuala Lumpur 32/30 25/27 5 32/31 25/27 5

Manila 32/30 25/27 5 32/31 25/27 5

Mumbai 31/29 25/27 5 31/28 24/27 5

Phnom Penh 32/30 25/27 5 32/30 25/27 5

Phuket 33/31 26/29 5 33/31 26/29 5

Singapore 28/26 23/27 5 28/26 23/27 5

Singapore 28/26 23/27 5 28/26 23/27 5

Taipei 30/28 25/27 5 30/28 26/29 5

Tokyo 27/25 22/24 5 26/27 25/27 5

Vietnam 21/20 14/21 5 21/20 14/21 5

Yakarta 28/26 23/27 5 28/26 23/27 5

Yunnan 28/26 23/27 5 28/26 23/27 5

Zhuhai 28/26 23/27 5 28/26 23/27 5

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U.S. Says It Didn't Know Sudan Plant Made Drugs

By John F. Harris
and Susan Schmidt
Washington Post Service

WASHINGTON — President Bill Clinton told prosecutors that he tried to help Monica Lewinsky in January in his efforts to find a private-sector job and asked a senior White House aide whether he would be willing to write her a favorable job recommendation, according to sources familiar with his grand jury testimony last month.

Mr. Clinton, sources said, asked John Hiley, then serving as the White House legislative liaison, whether Mr. Hiley could recommend the former intern for a job. But sources supportive of the president's defense described this exchange as innocuous, since Mr. Clinton never instructed Mr. Hiley to write a recommendation, and none was apparently ever written.

Mr. Clinton's offer of help to Ms. Lewinsky, with whom he has acknowledged having an extramar-

ital relationship, came at the same time that lawyers for Paula Jones had issued a subpoena seeking Ms. Lewinsky's testimony in Mrs. Jones's sexual harassment suit against the president.

After receiving a private job offer in New York, Ms. Lewinsky signed an affidavit swearing she had no sexual relationship with the president. The independent counsel Kenneth Starr is exploring whether Mr. Clinton obstructed justice by allegedly seeking to win Ms. Lewinsky's silence about their relationship.

January was only the latest time Mr. Clinton had taken a personal interest in Ms. Lewinsky's job prospects, Mr. Clinton acknowledged in his Aug. 17 grand jury testimony.

In the summer of 1997, he talked to the White House deputy personnel director, Marcia Scott, about Ms. Lewinsky's desire to return to the White House after her involuntary reassignment to the Pentagon the

year before. Senior White House officials have told the grand jury that they wanted Ms. Lewinsky out of the White House because they believed she was spending too much time around the president but claimed they did not know she was in an intimate relationship with him.

Mr. Clinton, sources said, discussed with Ms. Lewinsky her anger about being transferred and later asked Ms. Scott if there was a position for her back at the White House. But sources said Mr. Clinton issued no instructions to Ms. Scott and suggested she find something for Ms. Lewinsky only if it was "appropriate."

In the end, sources said, Ms. Scott did not offer Ms. Lewinsky a job and assured her that her public affairs job at the Pentagon was far from a demotion or black mark on her record.

The disclosures about Mr. Clinton's testimony represent the first acknowledgment that he played a

direct role in her job searches. In the Paula Jones case, he said he was aware that his secretary, Betty Currie, was helping Ms. Lewinsky look for work but acknowledged nothing about his own role.

Allies of the president said that the job offers by Mr. Clinton in the summer of 1997 show that he was not motivated by a desire to stop her from cooperating in the Jones suit, since at that point no subpoenas had been issued in the case.

Also, they said, neither that intervention nor the one in January yielded any results, either in the form of recommendations or a job — hardly an example of a president using all the influence at his command to win special treatment for a potential witness against him.

This argument about facts and their meaning — whether certain actions by Mr. Clinton and others in the case were sinister or benign — has been a recurring theme of recent weeks, and it is only going to accelerate in coming days.

White House lawyers and political advisers have been busy devising a response to what they anticipate will be Mr. Starr's contention that Mr. Clinton's actions constituted obstruction of justice.

Mr. Starr, for instance, has pressed witnesses about why Ms. Lewinsky returned gifts that Mr. Clinton had given her to Mrs. Currie when they were subpoenaed; Clinton allies say her return of gifts is insignificant, since Mr. Clinton gave her more gifts at about the same time.

Once allegations about Mr. Clinton's relationship with Ms. Lewinsky exploded into public view in January, a Clinton friend, Vernon Jordan, acknowledged that he had kept Mr. Clinton apprised of his own efforts to help her get a New York private-sector job.

The job offer was helped along by Revlon Inc., came days before she gave her affidavit in the Jones case, but it was rescinded after the controversy broke.

POLITICAL NOTES

Welfare Fathers Get a Push

WASHINGTON — They are young, poor and hard beyond their years, with resumes that often list jails, not jobs. Their earnings have spent decades in decline, and so has their likelihood to marry. Yet, there is a growing sense that the nation's ambitious welfare overhaul cannot succeed without them.

With tough new rules now in place for welfare mothers, the spotlight is turning to welfare fathers. Dozens of programs have sprung up in the last few years, seeking to raise the incomes of these missing men and strengthen their ties to their children. Although few can yet show clear success, the effort has suddenly found a wellspring of government and philanthropic support.

Nearly all the states giving lucrative federal welfare-to-work grants this year have pledged to include fathers in their programs. The Ford Foundation, which virtually created the welfare-to-work field two decades ago, is seeding a parallel industry to run programs for men and study them. And most surprisingly, some congressional Republicans have proposed a multi-billion-dollar program for poor, unwed fathers — scarcely a Republican constituency.

To glimpse the odd politics, consider the journey of Representative Clay Shaw Jr., the Florida Republican who was the main author of the 1996 welfare law. That law made unprecedented spending cuts and expressed a profound unease with activist government. Now, Mr. Shaw is pushing a "Fathers Count" bill that would spend \$2 billion on the kind of men who gather on street corners with half-smoked cigarettes behind their ears.

Community groups would use the money to provide fathers with job training and parenting advice and encourage them to marry.

"If you're going to solve the problem of poverty, you've got to do what you can to make these guys marriage material," Mr. Shaw said. "So many of them — I would say the majority of them — are men these women wouldn't want to marry. And I don't blame them. They don't have jobs."

15,000th Vote for Thurmond

WASHINGTON — Temporarily halting consideration of the federal budget, the Senate honored Armed Services Committee chairman Strom Thurmond, Republican of South Carolina, for becoming the seven-time senator in history to vote 15,000 times.

It was a procedural vote on an appropriations bill that prompted Mr. Thurmond to reach the milestone Wednesday. Senator Robert Byrd, Democrat of West Virginia, who is about 140 votes ahead of Mr. Thurmond, believed the 15,000 mark in May.

Having arrived in the Senate when some of his colleagues were still in grade school, Mr. Thurmond, at 95 the oldest senator ever to serve, won praise from political friends and foes alike.

"I would like to thank Strom Thurmond, not always for his stands on issues, but for the way he treats people," said Senator Paul Wellstone, Democrat of Minnesota, a liberal who rarely sides with the conservative Mr. Thurmond.

(LAT)



An overturned truck in Alligator Point, Florida, showing the power of the storm.

Hurricane Batters Florida

Reuters

TALLAHASSEE, Florida — The hurricane designated Earl raged across the southeastern United States on Thursday, generating 80-mile-an-hour winds, driving rains and pounding surf that flooded coastal towns on the Florida panhandle.

It was the second hurricane to strike the U.S. southeast coast in eight days, and it pushed a wall of water from the Gulf of Mexico into low-lying barrier islands and villages along Florida's Big Bend. Then it moved inland, where it dumped rain on four states and spawned tornadoes.

The U.S. Coast Guard said two men were missing after two fishing vessels capsized south of Panama City, near where the hurricane went ashore.

Governor Lawton Chiles of Florida declared a disaster area across the Gulf coast,

ordering state offices in at least 15 counties closed on Thursday as crews moved into the streets to clean up and restore power to thousands of homes.

"It's going to be the kind of damage you would expect — storm surges, flooding and widespread power outages," said Barbara Doran, a spokeswoman for the state's Office of Emergency Management.

At least 15,000 people were without power on the Gulf coast, and a tornado spawned by the hurricane damaged 11 homes and 6 businesses in Brevard County, on Florida's east coast, emergency managers said. The storm dumped heavy rain on Florida, Georgia, North Carolina and South Carolina.

Residents who evacuated low-lying areas and barrier islands waited until dawn before trying to return to their homes.

At least three times, At-

women given a placebo. The study raised hopes that a drug could reduce the risk of being stricken with the leading type of cancer among U.S. women.

The study, however, was not large enough or long-lasting enough to detect a difference in mortality. Panel members and speakers at a meeting Wednesday said longer follow-up of women to this and other studies was urgently needed to learn whether tamoxifen prevents tumors or merely slows their growth and delays their appearance.

They also expressed concern about tamoxifen's side effects, which are sometimes fatal. Three women who took tamoxifen in the U.S. study died of blood clots in the lungs.

Consumer activists and some medical experts worried about exposing many women to a powerful drug to prevent cancers that would otherwise strike a small percentage of them. "We are talking about large numbers of healthy women, and there are risks," said Trevor Powles, who headed a smaller British study that failed to find a reduction in breast cancer with tamoxifen use.

The Food and Drug Administration is not required to follow the recommendations of its advisory panels, but it usually does.

Earlier this year, a five-year, government-funded study of more than 13,000 women was halted when it found that women at high risk for breast cancer who took tamoxifen had 45 percent fewer cases of breast cancer than similar

more cataracts. But they suffered fewer fractures than placebo users. There was no significant difference in heart attacks or strokes, nor in overall mortality.

Although women on tamoxifen showed a striking reduction in breast cancers, the study used a complex formula to decide which women had a high enough risk of breast cancer to justify taking the drug. All women age 60 or older were considered high risk on the basis of age. Women between 35 and 60 were considered high risk if they had various combinations of risk factors, such as close relatives with breast cancer, no children or late child-bearing, early onset of first menstruation, or a history of various breast abnormalities.

Jerry Lewis, senior medical director of Zeneca Pharmaceuticals, an American unit of Zeneca Group PLC of Britain that markets tamoxifen under the brand name Nolvadex, hailed the panel's decision. "It is the first time this advisory committee has gathered to deliberate and vote on a drug for breast cancer prevention," Mr. Lewis said.

Zeneca representatives said the company planned to develop materials to help doctors and women decide who should take the drug. But consumer advocates predicted that once the drug was approved, it was likely to be aggressively marketed to consumers.

AMERICAN TOPICS

Alternative Medicine Edges Toward the Mainstream

If anyone doubted that alternative medicine had become big, big medicine, consider the following: The number of homeopaths has risen to 3,000 this year from 200 in 1970. The number of massage schools has soared to 800 today from 15 in 1969. Sales of herbal supplements are up sharply, rising in just three years to \$3.65 billion last year from \$2.69 billion in 1994.

One part of the counterculture, alternative medicine is now an \$18 billion industry. But even as it edges toward the mainstream, much alternative medicine remains experimental and unproven. There are "healers" who prescribe herbal tinctures based on ancient potions, and there are high-tech pressurized oxygen chambers. Herbal supplements are hugely popular, though they, like much that is alternative, are unregulated by the government.

The review was prompted by new information suggesting that the president and his top political aides controlled advertising that was paid for by the Democratic National Committee but that was aimed at advancing Mr. Clinton's re-election effort, thus circumventing the spending limits on individual federal campaigns, officials said.

The basic questions being raised have been debated in the Justice Department and among experts on election law since the closing days of the 1996 campaign.

At least three times, At-

least those investigations, which could lead to the appointment of a separate independent counsel, are further along than the review now being made of President Clinton's activities.

Each time, she has concluded that there are no grounds for an independent counsel investigation.

But for the White House, the new round of inquiry represents a time-consuming and perilous re-emergence of a threat that officials there thought was behind them.

If an independent counsel is appointed, it would guard against an exhausting new distraction for the White House. The case comes while both Vice President Al Gore and a former senior White House aide, Harold Ickes, face separate Justice Department investigations into whether they violated campaign fi-

nance laws. Both those investigations, which could lead to the appointment of a separate independent counsel, are further along than the review now being made of President Clinton's activities.

The Justice Department inquiry into Mr. Clinton's actions is at the first stage of the independent counsel process and thus far does not reflect a finding of any wrongdoing by the president or by anyone associated with his successful 1996 campaign.

Under a deadline set by law, Ms. Reno has until the middle of next week to determine whether there are grounds to open a preliminary investigation.

Only after that inquiry was completed would she face the question of whether to seek an independent counsel.

Many more chose business, psychology, law, or health services. Meanwhile, the average salary offered to new college graduates in computer science jumped this year to \$41,561, up nearly 12 percent from a year earlier. Employers are looking increasingly overseas for help.

As the number of children in a family rises, Ohio State University researchers found a few years ago, the grades and standardized-test scores of all the children declined, compared with children from smaller families. "Parents only have so much time and money," said Douglas Downey, the chief researcher. "The more children they have, the more those resources are diluted."

But Mr. Downey wanted to find out if the same applied in groups where large families are encouraged. One group that defied the rule, he found, were the Mormons, according to The Chronicle of Higher Education. Mr. Downey said Mormon parents may spend less money and time on themselves than other groups do, and that Mormon communities regularly help large families.

Brian Knowlton

House Skeptical of More Money for IMF

Reuters

WASHINGTON — The U.S. congressional battle over billions of dollars for the International Monetary Fund has moved to the House of Representatives, where opposition was boiling over the lending agency's failed bailout for Russia.

The Senate overwhelmingly approved \$18 billion for the IMF on Wednesday by a vote of 90 to 3.

Despite that support, the funding faced strong opposition in the House from lawmakers incensed that Russia's \$23 billion international rescue package was a shambles.

In a letter to Treasury Secretary Robert Rubin, the speaker of the House, Newt Gingrich, demanded that the Clinton administration explain why Russia's financial crisis got worse and spread under the IMF's loan program, which was agreed to on July 20.

"The IMF seems to expect that Moscow will come to its senses and embrace real economic reform without being forced to do so by its lender," the Georgia Republican wrote.

"If this is indeed what occurred," he continued, "it raises crucial questions that need to be fully and satisfactorily answered before any more American taxpayers' dollars are committed to the IMF."

At the Clinton administration's urging, the IMF in July arranged a \$22.6 billion package of new loans for Russia, aimed at ending the country's crippling economic crisis.

Despite the cash infusion, market confidence evaporated.

Russian stocks and the ruble crumbled, sending shock waves through global financial markets and fueling fears that Russia's troubles would unleash a global economic downturn.

Mr. Gingrich said troubles on world markets "go to the heart of concerns over the performance of the IMF and its impact on the world economy."

His letter to Mr. Rubin made no mention of when the House might vote on IMF funding.

funding, despite past promises that a vote would be held before the end of this congressional session.

Congress has targeted Oct. 9 to adjourn before the midterm elections in November.

The House Appropriations Committee was expected to vote on IMF funding next week, but that bill contained only \$3.4 billion for the lending agency, a fraction of the money the White House says it needs.

Monday

HEALTH/SCIENCE

With a wide range of topics from technology to space exploration, from recent medical discoveries to how the human brain functions, this in-depth feature brings up-to-date information on scientific and physical developments in the intriguing worlds of health and science.

Every Monday in the International Herald Tribune.

International Herald Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
THE WORLD'S DAILY NEWSPAPER

Away From Politics

• Two pilots whose jetliners were eight seconds from a collision averted disaster by veering sharply about 60 miles east of San Diego, said federal authorities, slaming a lousy by a busy air traffic controller. Delta Air Lines Flight 257 and Alaska Airlines Flight 256 came as close as 2½ miles. (AP)

• A man who said he fatally stabbed his former wife to protect her from aliens pleaded guilty in Elizabeth, New Jersey, to manslaughter, meaning he could face 40 years in prison. (AP)

• Strippers performed for males in full view of women workers on the trading floor of a Wall Street brokerage firm, the New York state attorney general charged, filing a \$10 million lawsuit against Garban LLC. The lawsuit charges that Garban also made it difficult for women employees to advance. (AP)

How and when the European Union will expand is one of the top issues being confronted during Austria's six-month presidency of the EU.

Don't miss the Sponsored Section

Austria: Spotlight on EU

Enlargement

on September 5, 1998

INTERNATIONAL HERALD TRIBUNE

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

THE WORLD'S DAILY NEWSPAPER

ASIA/PACIFIC

Malaysian Reformer Hits Back After Ouster From Cabinet

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad personally took control of the economy early Friday, expelling his former deputy from the country's ruling political party and naming himself acting finance minister.

Anwar Ibrahim, who on Wednesday was dismissed by Mr. Mahathir as deputy prime minister and finance minister, was expelled from the party, the United Malays National Organization, on the grounds of "unsuitable character," party officials said.

Outside the party meeting, which lasted four hours, about 1,000 demonstrators chanted "Long live Anwar!" Mr. Anwar, who until this week was the second highest ranking politician in the country, must now wait three years before he can reapply to join the party.

On Thursday, Mr. Anwar delivered an impassioned plea for his reinstatement.

"I ask for justice and I demand justice," he said at his home here. "If the No. 2 man in this country cannot be satisfied that justice will prevail, I am sorry."

Mr. Anwar's ouster came after a yearlong power struggle between Malaysia's two top

leaders, including disputes over the direction of economic policy.

"The U.S. Treasury secretary, Robert Rubin, said Thursday that Mr. Mahathir's moves were 'of concern,'" Bloomberg News reported.

[...] Obviously it is not the path that we think leads itself to economic growth and stability over time," Mr. Rubin said.]

There has been speculation that Mr. Anwar could be arrested after an affidavit was filed by the attorney general with the country's High Court on Thursday.

The affidavit included allegations that Mr. Anwar had received money illegally from a friend and supporter during Malaysia's last general election and that he was "used by undesirable elements to threaten national security," according to the country's national press agency, Bernama.

The agency did not elaborate on those allegations, but focused more on charges that Mr. Anwar had "homosexual relationships, sexual liaisons with women of various races and tried to entice people's wives." It went on to detail at least seven alleged incidents of sexual indiscretions, including one "male witness" who said he was "sodomized 15 times by Anwar."

Mr. Anwar emphatically denied the allegations. "This is part of a larger political conspiracy," he said.

said. "There is no basis in the allegations."

Whether true or not, newspapers and television stations — always under close watch by the government — are likely to give prominence to the story, perhaps ruining Mr. Anwar's career and sapping the support of his Muslim constituents.

Saying he was skeptical but hopeful, Mr. Anwar asked the media "to give at least an opportunity to me to explain and defend my case."

Mr. Anwar's ouster comes just days after Malaysia started what has been described as a radical economic experiment. The country has set a fixed exchange rate for its currency, the ringgit, and has banned any trading of it on international markets.

These moves are in sharp contrast to the rescue efforts in place in neighboring countries, such as Indonesia and Thailand, both of which have signed on with the International Monetary Fund to help them out of the regional economic crisis.

Led by Mr. Anwar, Malaysia had pursued similar policies to those now in place in Indonesia and Thailand: Credit was kept tight and austerity measures put in place. But earlier this

year, Mr. Mahathir led a campaign to ease interest rates and stimulate the economy through injections of cash.

Mr. Anwar initially opposed the pressure to lower interest rates, but eventually came around to Mr. Mahathir's position.

Before his expulsion from the party, Mr. Anwar said he remained loyal to him. "I do regard him in all sincerity as a father — although not all fathers treat their children very fairly," Mr. Anwar said.

But the former deputy prime minister said he regretted that the "instruments of government" had been used to "harass" him.

With Mr. Anwar's removal, Mr. Mahathir, who was widely respected and admired in Malaysia for having brought prosperity to the country, has consolidated his position in government and taken full control of economic policy.

In the last few months, editors at two top newspapers and officials at the country's central bank — all allies of Mr. Anwar — have resigned or been dismissed. Earlier this year, a close friend of Mr. Mahathir, Daim Zainuddin, was brought into the cabinet to act as economic czar, undercutting Mr. Anwar's role as finance minister.

On Thursday, Mr. Anwar urged his supporters to stay calm.



David L. Rutter

Mr. Anwar, left, with Mr. Mahathir at a ceremony in Kuala Lumpur in June.

"I have urged my friends and supporters to remain calm and respect the law," he said. "even if they choose to arrest me and charge me for whatever crimes that I'm alleged to have committed."

BRIEFLY

Producer for CBS Detained in China

BEIJING — Chinese authorities refused to disclose the whereabouts of a CBS television producer on Thursday who was roused from bed, handcuffed and taken from her Beijing apartment by four state security agents on Wednesday.

Natalie Liu, a Chinese citizen who is a permanent resident of the United States, had been working as a freelance associate producer for the American network CBS in Beijing for a year.

Chinese security authorities declined to say why Ms. Liu was being detained. According to a relative, when she was being arrested she asked the agents why, and she was told there was "no use asking." When she asked how long she was going to be held, the police said it depended on her attitude in answering their questions, the relative said.

Most recently, Ms. Liu was working on a light feature about the opera "Turandot" being staged in Beijing. She played an important role in CBS News' coverage of President Bill Clinton's visit to China in June. (WPA)

Burmese Students End Their Rallies

RANGOON — Thousands of students dispersed early Thursday after staging the biggest demonstrations against the Burmese junta in nearly two years.

Foreign diplomats said Wednesday's demonstrations at two Rangoon university campuses ended without incident but that scores of riot policemen remained on alert.

"It's obviously building up again," said one Western diplomat. "There is tension there, and it will only take a small spark to set it all off again."

As many as 4,000 students joined the demonstrations, which came after the opposition National League for Democracy said it would convene the parliament that was elected in 1990 but that the army has never allowed to sit. (AFP)

For the Record

Taiwan's top official on relations with China has accepted an invitation to visit Beijing next month. Koo Chen-fu, the chairman of the Straits Exchange Foundation, said Thursday that he would resume talks that have been suspended since 1995. He said he expected to meet with his counterpart, Wang Daoban, the chairman of the Association for Relations Across the Taiwan Strait. (Reuters)



Mohamed (Bob) Hasan (center), a close friend of former President Suharto of Indonesia, being jostled by reporters Thursday in Jakarta after he was questioned about suspected banking irregularities.

Floods Make China Face Bitter Choices

By Erik Eckholm
New York Times Service

RONGCHENG, China — Xiao Renhai, director of this beleaguered town along the overflowing Yangtze River, stood before an encampment of blue tents inhabited by 800 sorry-looking people who weeks before were told to flee for their lives.

"We protected our dikes for more than 40 days," Mr. Xiao said. "But on the orders of the provincial government, on Aug. 5 we opened the embankment in order to save the city of Wuhuan."

"We bitterly denounce Japan for making a fuss over a matter that belongs to our sovereignty," the Korean Central News Agency reported.

Several hours later, in an interview with the press agency, a top North Korean agricultural official appealed to the international community for food and medical aid, according to Radiopress. Severe weather this summer had caused crop damage and left "numerous victims," Radiopress quoted the official as saying.

suffered some of the worst damage of the summer's floods. Of Jianli County's 1.4 million residents, 100,000 saw their homes and nearly all their belongings destroyed.

Thousands, less lucky than Miss Yang, are now crowded into makeshift huts atop the remaining dikes, where they subsist on rations of a half-kilogram (1.1 pounds) of rice and 12 cents a day per person and for drinking must boil the filthy flood water.

And yet in this county, as along much of the Yangtze this summer, the raging river did not by its own power breach a single dike — neither the major dikes, huge earthen mounds that line the Yangtze flood plain, often several kilometers apart, nor the minor dikes jutting into the flood plain to shield farmland reclaimed from mud and marshes.

All the damage in Jianli County resulted from government decisions to spread the swelling waters by breaching inner dikes to relieve pressure on the vital main dikes and the provincial capital of Wuhuan downstream.

These were not decisions made lightly by authorities in Wuhuan, a city of 7 million. But neither were they accepted readily by villagers who lay in the path of the flood diversion. Some tried to block the inundation of their land with an all-night vigil on the dike, while many others had to be forced from their homes, according to local news accounts and other sources.

Events in Jianli are emblematic of China's worsening bind as more people crowd into the country's fertile river

valleys. To prevent a repetition of this year's costly disasters, officials now realize, the country must spend billions of dollars it does not have to reinforce dikes, and move millions of farmers who have nowhere else to go out of the low-lying areas that can serve as safety valves for excess waters.

In the meantime, officials will periodically face terrible choices, weighing the value of homes and farms in one place against the risk of catastrophe elsewhere.

In his exhortations this summer, President Jiang Zemin laid out the priorities: first, protect the river's main dikes; second, protect major cities; third, protect human lives.

In Jianli County, 17 zones in the flood plain had over the decades been drained, surrounded by dikes and filled with farms, villages, even factories. Since early August, 16 of those areas have been intentionally flooded.

Among the newly homeless here, there is a mood of sullen resignation, if not anger.

"It fell just terrible when they told us we had to leave," said a mother of two in a shabby lean-to of boards and plastic sheeting atop the major dike, who gave her name as Miss Song. "It didn't seem fair."

A noncommissioned officer from a military unit in the area, a Sergeant Chen, said a large part of his unit's job had involved "mobilizing people to leave areas that were about to be inundated."

"Many people were mentally unprepared to leave," he said.

CROSSWORD

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34 LADIES' STYLING BEAUTY	70 Pan-relieving
35 LADIES' STYLING BEAUTY	71 Almond scourge
36 LADIES' STYLING BEAUTY	72 Cousin of the needlefish
37 LADIES' STYLING BEAUTY	73 Bush or Tatt
38 LADIES' STYLING BEAUTY	74 Plains Indian

Solution to Puzzle of Sept. 3

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EUROPE

Kohl-Schroeder Face-Off Fails to Ignite Campaign

By John Vinocur
International Herald Tribune

No Great Debate, the single under-one-roof confrontation of Germany's election campaign, turned out Thursday more like heavily padded sparring than mortal combat, the politics of gesture and ritual an easy winner over ideas or surprise.

Neither Chancellor Helmut Kohl or his Social Democratic challenger, Gerhard Schroeder, struck anything like a blow that could turn the course of the NEWS vote on Sept. 27.

ANALYSIS There were no scratches either, nothing in the roughly two and a half hours of talk on the floor of the Bundestag that seemed likely to fester over the last three weeks of the campaign.

Since Mr. Kohl, 68, did not want to go into a studio to debate Mr. Schroeder, 54, a master of television demands on sweat glands and pre-stirred formulations, the closest the candidates could come to a face-to-face meeting was an arrangement to speak one after another in a regularly scheduled morning parliamentary session broadcast throughout Europe.

But for suspense or passion or

elevated content — the Bundestag's assembled members brayed mildly and roared not at all — this was not the day. In a house where democracy sometimes gets a jarring ride, the subject could have been water rates or insurance law.

What emerged instead was an attempt by the chancellor, clearly trailing Mr. Schroeder in the polls, to characterize himself as

Germany's locus of wisdom and good sense in a world with accelerating troubles nearby, in Russia, and beyond. Mr. Schroeder and his potential cabinet allies, Oskar Lafontaine, the hard-left SPD party chairman, and Joschka Fischer, the leader of the Greens, were portrayed by Mr. Kohl as

people with whom you would not leave the keys to the house, their amalgamated political careers opposing NATO, German reunification, and aspects of European Union — basically every policy that for the last 16 years he had said, brought Germany, under his guidance, respect, comfort and peace.

These were the people who caused "distrust" of Germany, Mr. Kohl said. How would it be with Mr. Fischer, new suit or not, but

of him as a "man devoid of content" and without character, but there was none of that on the floor. This time, he barely came under personal attack. In 79 minutes, Mr. Kohl looked vigorous and involved, but there was no new ammunition, no catch phrase, no kick, no new concept meant to turn the tide.

Mr. Schroeder's first sentences in reply to the chancellor summed up his approach: "You gave a long speech. It was about the past, and

everybody who heard it realized you have trouble with the present. If you have trouble with the present you do with the future as well. You are not capable for the future, Mr. Chancellor."

This was the strongest stuff of the exchange, and by the standard of sound bites, where Mr. Schroeder excels, was probably the element that could make it seem that he prevailed. "You've lost yourself in the past," he said again, picking up the theme. "You're not able to bring the creative forces of this country together" for the new millennium.

With the exception of the direct form of address to the chancellor, listeners heard essentially re-worked material from Mr. Schroeder's campaign repertoire. It had neither steam enough to visibly irritate Mr. Kohl's Christian Democrats or amuse the challenger's own supporters on Parliament's floor. The chancellor interrupted Mr. Schroeder once on a technical point concerning wage policy, but he hardly stirred when the challenger questioned his wisdom concerning "his sanna friend Yeltsin."

Both men seemed to do their best to stay at a distance from the question of unemployment, currently running at about 10 percent, and the issue that the polls have shown is the essential one in the minds of the electorate.

to stay at a distance from the question of unemployment, currently running at about 10 percent, and the issue that the polls have shown is the essential one in the minds of the electorate.

Mr. Kohl's treatment of the subject, perhaps mindful of the OECD's projection that German joblessness would barely improve in the next five years, was minimalist. There was a clear positive trend with the number of unemployed soon to fall under 4 million, he said. The former East Germany, where the job market has imploded, was now moving ahead step by step.

Mr. Schroeder said later that there were three times as many people out of work now than when Mr. Kohl first took office, but, characteristically, he had no detailed plans about how or when the situation would be corrected under his leadership. Indeed, as has been the pattern of his campaign, Mr. Schroeder rarely dealt with specifics.

But he did get the last word. He called on Mr. Kohl to agree to real debate, presumably a more lively one.

"Come out of the past," he urged Mr. Kohl, "and let's quietly discuss things so that the people of Germany can decide."



Chancellor Kohl phoning while Mr. Schroeder spoke.

'Procedural' Progress in Kosovo Talks

By R. Jeffrey Smith
Washington Post Service

ROME — The top U.S. negotiator for Kosovo matters has won agreement from the Yugoslav president and the province's ethnic Albanian political leader to postpone discussion of the long-term legal status of Kosovo, essentially bypassing the issue that most sharply divided the two politicians.

The negotiator, Christopher Hill, the U.S. ambassador to Macedonia, said he won support for the idea from Ibrahim Rugova, the head of Kosovo's largest ethnic Albanian party, at a meeting Wednesday in Pristina, capital of the province in Serbia, Yugoslavia's largest republic. Mr. Rugova is a long-standing advocate of resolving the Kosovo conflict peacefully.

Mr. Hill's meeting with Mr. Rugova came one day after a meeting with the Yugoslav president, Slobodan Milosevic, in Belgrade that produced what Mr. Hill called a "procedural breakthrough," namely, a promise that any immediate deal on Kosovo could be re-examined

and amended in three to five years.

Mr. Hill has been trying to broker a cease-fire and interim solution to the Kosovo conflict for three months without concrete progress. Although the agreement achieved this week is a modest step forward, the parties to the conflict remain bitterly divided on most key issues.

Sources close to the ethnic Albanian guerrillas who have been fighting to win Kosovo's independence and who oppose Mr. Rugova's leadership said Thursday that they thought the plan was a mistake.

Mr. Hill's strategy is to try to negotiate an interim deal allowing a degree of self-rule by the ethnic Albanians, who compose 90 percent of Kosovo's population. But other U.S. officials have expressed skepticism that such a deal would be in the interests of the West, because Mr. Milosevic's behavior suggests he will not respect it and the West will have little leverage to enforce compliance.

Mr. Milosevic stripped the ethnic Albanians of partial autonomy in 1989. Since then, he repeatedly has ruled out

independence for Kosovo. But ethnic Albanians there overwhelmingly say they want only independence, and the dispute has provoked six months of violence, causing the death of hundreds of ethnic Albanians and displaced more than 10 percent of the province's 2 million people.

Under the current U.S. plan, "the aim is to deal with other issues" besides independence, such as laying the groundwork for elections in Kosovo and giving the resulting ethnic Albanian leadership local political autonomy for the first time in a decade, a U.S. official said.

■ Serbs Attack Villages

Serbian forces pounded villages around the historic southern Kosovo town of Prizren on Thursday in a drive to flush out guerrillas, Reuters reported, quoting ethnic Albanian sources.

"Serbian forces are continuing their attack on villages south of the city of Prizren and detonations can be heard by people within the city," said a spokesman for the ethnic Albanian Kosovo Information Center.

Chevenement Falls Into a Coma

PARIS — Jean-Pierre Chevenement, the French interior minister, was in a coma Thursday after suffering a heart attack during surgery, officials said.

The minister, 59, who is in charge of the nation's police and security forces, suffered the heart attack during a gallbladder operation Wednesday.

France Info radio reported that Mr. Chevenement had a rare allergy to the anesthesia used during the surgery, causing temporary heart failure.

The government said the deputy minister for overseas territorial affairs, Jean-Jacques Queyranne, would temporarily take over Mr. Chevenement's duties.

Danish Party to Review EMU

COPENHAGEN — The largest party in Denmark's coalition government may consider scrapping the country's policy of reserving the right to opt out of European monetary union, paving the way for a referendum on joining the single currency, a senior official said.

The deputy chairman of the Social Democrats, Lene Jensen, said the party was prepared to consider the effects on Denmark of Economic and Monetary Union, signaling a readiness to reconsider Denmark's exemption although she said the party did not foresee any change soon in the Danish position.

Mrs. Jensen said the party would evaluate the effects of the euro on the Danish economy, social welfare system and employment when it is introduced by 11 European Union countries next year. She said she did not see any need to abolish the exemption at the moment. (Reuters)

Paris Terrorism Trial Disrupted

EVRY, France — Chaos erupted at France's largest-ever trial of suspected Islamic terrorists Thursday with scuffles in the dock and a walkout by defendants accused of backing armed fundamentalists in Algeria.

Bruno Steinmann, the presiding judge, suspended the hearings against the 138 accused on the third day of the trial, after a key suspect assaulted the French judiciary for both the trial and the conditions of detention.

Only two of the 60 lawyers were present along with about 50 of the accused as the hearings opened. (AFP)

For the Record

A key suspect in the 1996 murder of Veronica Guerin, an Irish journalist who was investigating drug dealers, was extradited to the Irish Republic from the Netherlands on Thursday. Brian Meehan was extradited on suspicion of having driven the motorcycle from which the killer fired six bullets into Mrs. Guerin's head. (AFP)



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INTERNATIONAL

Amnesty International Accuses Taliban of Shiite Slaughter*Agence France-Presse*

LONDON — Afghanistan's Taliban forces massacred thousands of members of a religious minority after capturing the city of Mazar-i-Sharif last month, Amnesty International charged Thursday.

The Taliban denied the accusation.

Amnesty said its accusation was based on testimony from people who claimed to have been witnesses. It said the victims were Hazara. The Hazara are Shiites in predominantly Sunni Afghanistan.

Amnesty International said: "Taliban guards deliberately and systematically killed thousands of Hazara civilians during the first three days

following their military takeover" of Mazar-i-Sharif on Aug. 8.

"The victims were killed deliberately and arbitrarily in their homes, in the streets, where the bodies were left for several days, or in locations between Mazar-i-Sharif and Herat. Many of those killed were civilians, including women, children and the elderly, who were shot trying to flee the city."

Amnesty also said that 10 Iranian diplomats and an Iranian journalist "are said to have been killed when Taliban guards entered the Iranian Consulate in Mazar-i-Sharif." Iran has accused the Taliban of detaining the 11 and has demanded their release.

On Thursday, the Taliban released

five other Iranians captured in Mazar-i-Sharif, including three truck drivers.

Taliban officials accused the Iranian truck drivers of transporting military supplies for the Taliban's enemies.

Wakil Ahmed Mutawakkil, a spokesman for the Taliban, was quoted by the Afghan Islamic Press as saying that Amnesty International's accusation was based on falsehoods given out by the Taliban's opponents. "It is against our religion to kill civilians," he was quoted as saying. Mr. Mutawakkil also denied that the Taliban killed any Iranians in Mazar-i-Sharif.

■ **War Games Called a Warning**
Big Iranian army maneuvers on the

border with Afghanistan are a warning to the Taliban, military analysts were quoted by Reuters in Dubai as saying on Thursday.

The Taliban's forces, though battle-hardened and in control of 90 percent of Afghan territory, would be no match for the 70,000 Iranian soldiers recently deployed in war games only 60 kilometers (about 40 miles) from the border, the analysts said.

Iranian armor, air support and heavy artillery were used to attack mock targets. The war games were the biggest in northeastern Iran in memory — certainly the biggest since Iran's Islamic revolution of 1979.

Iranian newspapers said Thursday

that most of the units deployed in the war games would remain in the border area.

Tensions between Shiite Iran and the Sunni Taliban have heightened since the disappearance of 11 Iranians in Afghanistan.

Terence Taylor, an analyst at the International Institute for Strategic Studies in London, said: "There's a big question as to whether they are still alive, and so things are not going to look good if it comes to light eventually that they have been killed. Things could get nasty along that border."

Taliban officials have described the Iranian war games as threatening and have warned against any escalation of tension along the border.

BRIEFLY

Syrian Trade Center Reopened in Iraq

BAGHDAD — Syria reopened its trade center here Thursday after nearly 18 years, in new sign of growing ties between two uneasy neighbors.

An Iraqi trade center is expected to open soon in the Syrian capital, Damascus, under an agreement signed Thursday. No date was set.

Iraq cut ties with Syria in 1981 because of its support of Iran in the 1980-88 Iran-Iraq war. A thaw began after Syria sent a trade delegation to Iraq in May 1997.

On Aug. 20, the two countries agreed to reopen a pipeline for Iraqi crude oil, from Kirkuk in Iraq to a Syrian terminal on the Mediterranean Sea, which was shut 16 years ago.

The reopening first requires formal approval from the UN, which has imposed sanctions on Iraq since 1990, after its invasion of Kuwait.

However, Iraq has said it will not wait for UN permission. (AP)

Mugabe Hints Victory Is Near In Putting Down Congo Uprising*The Associated Press*

DURBAN, South Africa — Zimbabwe, the main military ally of President Laurent Kabila of Congo, all but declared victory Thursday in suppressing an insurrection in Congo, even as the UN secretary-general, Kofi Annan, tried to forge a peace initiative.

Congolese government forces, backed by troops from Zimbabwe, Angola and Namibia, have ousted rebels allegedly supported by Rwanda and Uganda from the capital, Kinshasa, and were knifing eastward into rebel territory in the vast Central African nation.

Rwanda and Uganda deny involvement.

"Had we not intervened," President Robert Mugabe of Zimbabwe said, the government of Mr. Kabila "would have fallen." He was speaking at a summit meeting of the Nonaligned Movement here. "We have now secured Kinshasa and we're quite certain it cannot fall and that the government cannot fall."

Taking the podium minutes later, President Yoweri Museveni of Uganda complained that foreign troops were propping up a government that "has not been elected." Mr. Kabila led a rebellion last year that overthrew the long-time dictator, Mobutu Sese Seko.

For the first time, Mr. Museveni acknowledged that Ugandan troops were in rebel-held territory in eastern Congo. He did not respond to Mr. Kabila's allegations that Ugandan troops were fighting alongside the rebels.

The talks here have led to a shift in South Africa's position on intervention by Angola, Namibia and Zimbabwe.

Previously, President Nelson Mandela of South Africa had sought to promote diplomacy and negotiations to stop the fighting, but Thursday he said it was "reasonable" for outside countries to give the military aid Mr. Kabila had requested.

Mr. Mugabe said at a news conference that all factions involved in the party planned to meet in three days at an as-yet undetermined site. There was no immediate confirmation from other delegations that they would take part in the talks.

The rebels have been notably absent from any of the talks. Mr. Kabila has ruled out a cease-fire, saying Rwandan and Ugandan troops must first leave Congo.

Mr. Annan said that he was "very encouraged" by the peace talks he had held at the meeting with Mr. Kabila, Mr. Mugabe, President Jose Eduardo dos Santos of Angola and Mr. Mandela. Mr. Annan planned to meet later Thursday with the presidents of Rwanda and Uganda.



A police officer restraining supporters of Mr. Anwar's outside a party meeting in Kuala Lumpur on Thursday.

MALAYSIA: Power Shuffle Hides a Battle Over Image Control

Continued from Page 1

Mr. Anwar's efforts at image control have annoyed Mr. Mahathir, something he hinted at frequently.

Mr. Anwar's liberal, Western-looking image was sometimes in sharp contrast to the man himself — at least as he is known in Malaysia. In his youth, Mr. Anwar was a champion of radical, occasionally anti-Western, Islamic views.

He entered politics as the head of an Islamic youth organization. In 1979, he visited Iran to meet and congratulate Ayatollah Ruhollah Khomeini on his coming to power. But since his appointment as deputy prime minister in 1995, Mr. Anwar has been portrayed as a liberal thinker and defender of such high-minded notions as civil society and the rebirth of philosophy in Asia.

On Thursday, at a news conference in which Mr. Anwar vowed to rescue his imperiled political career, he conceded that he had perhaps overstepped the line in promoting his views at the expense of Mr. Mahathir's.

Referring to a book of essays he published two years ago titled "The Asian Renaissance," in which he wrote about such issues as press freedom and democracy, Mr. Anwar said Thursday: "That probably was a mistake. I said too much in that book." Filled with references to sources as diverse as Shakespeare, T.S. Eliot and Adam Smith, the book was said to have been largely written by one of his closest advisers.

But perhaps the best, or, as it turns out, the worst example of Mr. Anwar's efforts to control his image was a flattering cover story in the Asian edition of Time magazine last October entitled "Anwar and the Future of Asia." "Malaysia's No. 2 is the star of a rising generation of leaders, but will Mahathir give him a chance?" the magazine asked.

On Thursday, following his press conference, Mr. Anwar spotted one of the authors of the Time article while walking through a crowd of photographers and reporters. Pointing his finger at the reporter, he said half seriously: "The Time magazine article caused it all. You caused it all."

In the article, Mr. Anwar was portrayed as a cosmopolitan leader free from the "hang-ups" of the colonial experience, a direct dig at the older Mr. Mahathir, who was 32 years old when Malaysia became independent from Britain. (Mr. Anwar was 10.) Time described Mr. Anwar as a fan of Western classical music — he "wakes mornings to the strains of Italian opera," the article said — and a reader of Western and Eastern philosophy.



RAID IN TOKYO — Prosecutors raiding the Japanese Defense Ministry on Thursday in a kickback scandal. Prosecutors said they arrested Kenichi Ueno, the deputy head of the ministry's procurement office.

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Leniency Plea In Rwanda Genocide Case*Reuters*

ARUSHA, Tanzania — Defense lawyers for former Prime Minister Jean Kambanda of Rwanda, who has pleaded guilty to genocide before a United Nations tribunal, urged the court Thursday to treat him leniently when passing sentence on Friday.

A defense counsel, Michael Inglis, told the court that Mr. Kambanda, prime minister during Rwanda's 1994 genocide, was little more than a puppet with diminished responsibility who acted under duress, and should only receive a two-year sentence.

Mr. Inglis and prosecution lawyers said Mr. Kambanda's admission of guilt May 1 should be taken in mitigation for the crimes of genocide, complicity in genocide and crimes against humanity.

But the lead prosecutor, Bernard Muna, said he wanted life imprisonment for Mr. Kambanda, who was prime minister during the 1994 genocide of some 800,000 Tutsi and many Hutu deemed enemies of the state.

Mr. Muna acknowledged the judges should take into account Mr. Kambanda's guilty plea and the "substantial cooperation" he had provided to the court, including 90 hours of taped interviews.

The tribunal said the sentencing of Mr. Kambanda, who pleaded guilty in May to six counts, would represent a leap forward for the tribunal, which was set up to try the instigators of the genocide, but has been criticized for slowness and mismanagement.

Jean Paul Akayesu, a former mayor, was convicted of genocide at the tribunal's headquarters in north Tanzania on Wednesday in what Mr. Kambanda was 10. Time described Mr. Anwar as a fan of Western classical music — he "wakes mornings to the strains of Italian opera," the article said — and a reader of Western and Eastern philosophy.

Mr. Inglis argued that Mr. Kambanda could play a constructive future role in Rwandan society after his release.

2d Bombing Victim Dies in Cape Town

CAPE TOWN — A second victim of the Aug. 25 bombing of the Planet Hollywood restaurant died in a hospital Thursday, a police spokesman said.

The dead man was identified as Brian Duddy, 55, a banker. Another banker died in the blast and 27 people, including Mr. Duddy, were injured.

The police have ruled out international involvement in the bombing, as was first suspected, saying investigators were convinced it was the work of "local people." (AFP)

Smoke Blankets Most of Bolivia

SANTA CRUZ DE LA SIERRA, Bolivia — Fires set by farmers to clear forests and grasslands have blanketed two-thirds of Bolivia with smoke, resulting in health warnings, school closings and canceled airline flights.

A thick layer of smoke covered this city of 1 million people situated in the eastern Bolivian lowlands. Several grass fires could be seen from the air. (AP)

For the Record

A hurricane designated Isis slammed into the Mexican mainland with 125 kph winds and heavy rain, drenching the state of Sinaloa as it headed north along the Gulf of California toward Arizona. (AP)

CRISIS: Bad News From Corporate Japan

Continued from Page 1

In the case of Toa, its board voted Thursday night to liquidate. But that does not mean its plants will be shuttered, eliminating excess capacity in an industry plagued by falling steel prices, falling demand and a vast oversupply of plants.

Instead its operations and many of its employees will be transferred to NKK, which will establish a new group company to run Toa's electric furnace steel plants, which use scrap iron to produce construction materials.

NKK said it would suffer losses from Toa's liquidation of about 60 billion yen.

Last spring, NKK appeared deter-

mined to prop up Toa when it increased its shareholding in the company to 51 percent from 36 percent.

NKK said it finally decided to pull the plug "because of the deteriorating economy, which is beyond our expectation."

Analysts point out that NKK itself has been hit by falling steel prices and lower demand.

"NKK is not financially healthy either and it will be difficult for it to pay off all of Toa's debts," said Kazuhiro Harada, an analyst with Nikko Research Center.

The dismal corporate news sent Tokyo stocks lower on Thursday. The benchmark Nikkei Stock Average fell 115.38 points, to 14,261.24.

Senate Vote Bodes Ill for Nuclear Treaty**Approval of Funds to Monitor Test Ban Accord Falls Short of Ratification**

By Thomas W. Lippman
Washington Post Service

WASHINGTON — In an early test of support for ratification of the Comprehensive Test Ban Treaty, a Senate vote has indicated that the Clinton administration's highest arms control priority may be well short of the two-thirds majority needed for approval.

The Senate voted, 49 to 44, to approve a \$29 million U.S. contribution next year to the international commission established in Vienna to monitor compliance with the treaty. Although the measure passed, treaty opponents said the opposition of 44 senators in the funding indicates the treaty would not get the 67 votes required for ratification.

"Anything less than 67 votes in support of this amendment will send a strong signal that the Senate is prepared to reject this treaty," the majority leader, Trent Lott, Republican of Mississippi, said before the vote late Tuesday.

The vote adding the \$29 million to the fiscal 1999 foreign aid spending bill generally followed party lines, with most Democrats in favor and most Republicans opposed.

At least one senator who was absent from the vote, the Foreign Relations Committee chairman, Jesse Helms, Republican of North Carolina, has indicated his strong opposition to the test ban treaty.

Some Democrats said that if the treaty were presented for ratification, it would be approved, but Republicans said the funding vote shows that the support for

the agreement is clearly insufficient to win ratification.

The 1996 treaty banning all testing of nuclear weapons, known by the initials CTBT, has been signed by 150 countries and ratified by 20, according to the Arms Control and Disarmament Agency.

The United States, regardless of ratification, has given up its nuclear testing program.

Anti-Missile Costs Growing

Bradley Graham of The Washington Post reported from Washington:

The air force lieutenant general who oversees the Pentagon's missile defense efforts has warned that some of the weapons systems being developed to guard against missile attack were proving much costlier than expected and could be unaffordable to build.

The general, Lester Lyles, said that defense officials were considering cuts or further delays in the more than half-dozen anti-missile programs under way.

EDITORIALS/OPINION

Herald Tribune
INTERNATIONAL
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST**Clinton Loses Friends**

In an elegant turn of phrase, Michael Wines of the Moscow bureau of The New York Times described the Clinton-Yeltsin summit meeting as an event "on the slippery brink of self-parody." The same could be said of Bill Clinton's claim at a Moscow press conference that he had adequately apologized for the Monica Lewinsky affair. That view is not widely held among Democrats in Congress or even within the White House staff, and his comments are a troubling sign that he is still relying on outdated reflexes in dealing with the Lewinsky crisis.

He has always been good at rallying himself and his followers against powerful external enemies, be they health care profiteers, talkative mistresses or right-wing conspirators. By conjuring such plotters, he was always able to assume the mantle of aggrieved victim and slip into his favorite campaign persona, that of the resurgent victim.

This personal archetype had a name, the Comeback Kid. But when Mr. Clinton invokes that image these days, as he did in his universally panned semi-confession, he skids toward self-parody. That is because he is seen these days as the victim of his own bad judgment and indiscretion, rather than as the victim of his rhetorical rogues' gallery.

As he resumes his White House schedule, the president has a problem more serious than the condemnation of Senate Majority Leader Trent Lott and the defection of House Minority Leader Dick Gephardt. He is a politician whose most loyal supporters have fallen silent. He is the leader of a party whose high-risk congressional candidates often decline to defend him in public and then bash him in off-the-record conversations. This president's first problem is not winning over his enemies. It is winning back his friends.

Recent pieces by George Stephanopoulos in *Newsweek* and Dee Dee Myers in *Time* have traced disaffection among loyalists. It may be the stronger and more pervasive because Mr. Clinton's followers placed such low demands on him. The glue that bound his

—THE NEW YORK TIMES.

Food for the Cubans

Imagine the worst of Fidel Castro — that he would consign hundreds of thousands of his citizens to hunger in order to embarrass the United States for its hard-line policy on Cuba. In those circumstances, would the United States not be obliged by moral duty as well as political advantage to bend its restrictions on emergency food aid to Havana in order to save Cuban lives?

A situation resembling this one is at this moment taking shape. Mismanagement aggravated by drought has led the Castro regime to ask the United Nations for food aid in the eastern provinces. The UN World Food Program is responding. Some Clinton officials are inclined to pitch in. But some anti-Castro Cuban-American groups and their Republican supporters in Congress fear that UN food would end up being controlled by the government and used for its own political gains.

No doubt Fidel Castro would exploit food and medicine shipments. He would use them to advertise his international political reach and his ca-

—THE WASHINGTON POST.

Remembering Ruth

It is Mark McGwire and Sammy Sosa who seem likely to hit more home runs than anyone in major league history this year. It is Roger Maris whose record of 61 in a season is threatened. So why is Babe Ruth still so much with us this summer? Mostly it is because the story of his 60 home runs is too good to let go of, and so are the voices of the old men who tell it.

Imagining what it must have been like to get to Chicago or St. Louis or New York for the first time and see a Ruth in the flesh — one sighing, maybe your last ever. You can understand how hard a person might work his memory to keep that day alive.

Sports Illustrated magazine talked this year with some who remember. One was Paul Hopkins, 93, who threw his first pitches in the major leagues to Babe Ruth in late September 1927 and saw one go over the right field wall for his 59th homer in that 60-home run season. "A beautiful curve," Mr. Hopkins recalled. "Ruth started to swing and then hesitated, hitched on it and brought the bat back. And then he swung, breaking his wrists as he came

—THE WASHINGTON POST.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France
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E-mail: ihtr@ihtr.com

Editor for Asia: Michael Rodwin, 5 Canterbury Rd, Singapore 119000. Tel: (65) 472-7768. Fax: (65) 274-3334.
Mr. Dry Asia, Niced 1, Oakley, #1201, 19 Jalan, Hong Kong, Tel: 852-2922-1188. Fax: 852-2922-1189.
Gra. Mr. Germany: T. Schäfer, Friedrichstrasse 15, 00232 Berlin. Tel: +49 030 7250-20. Fax: +49 030 7250-20.

Fres U.S.: Ann Blitsberg, 850 Third Ave., New York, NY 10022. Tel: (212) 753-3890. Fax: (212) 753-6765.

U.K. Advertising Office: 63 Long Acre, London WC2, Tel: (171) 836-4302. Fax: (171) 240-2254.

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Bet on Islam of the Rivers Over Islam of the Desert

By Gaber Asfour

CAIRO — The struggle to keep our traditions open in the face of fundamentalist fervor should be seen as an internal matter. This is a clash of one interpretation of Islam versus another.

Just as it has always been, the clash we see today is between the tolerant peoples of the "Islam of the rivers," such as flourished in the Nile delta, and the intolerance of the "Islam of the desert," which has produced the likes of Osama bin Laden, the multimillionaire son of the Saudi Arabian construction magnate.

The desert culture is opposed to the culture of the Nile as well as to the pluralistic, haggling life of the *karaa* — urban alleyway bazaars. It is fanatic. It does not respect diversity of ideas and opinions. It believes that people must have one creed, only one interpretation of religion.

The "other" is hated, always an enemy. Western civilization in particular is distrusted as the modern incarnation of evil. Equality between women and men is not observed in the desert, where women are regarded as a source of temptation and evil. The long gowns of the men, and, of course, the beard, are signs of the desert.

In Islam there have always been two trends: the tolerant "tread of the mind"

associated with the river cultures of Egypt, Syria and Iraq, and the intolerant "trend of transmission" associated with the harsh desert. Loosely translated, "trend of transmission" means literal belief in the text of the Koran as God's infallibly transmitted Word.

In periods of flourishing civilization, the tolerant trend prevailed. In times of defeat, the intolerant trend prevailed.

Intolerant fundamentalism began to grow in the Arab world in the humiliating aftermath of the defeat of the Egyptian army by Israel in 1967. The crisis of identity this caused in Egypt was paralleled by the tremendous explosion of wealth in the Arab oil-producing countries. This provided the Islam of the desert with money.

With money, it is possible to force your culture upon others. Well-financed, desert-based Islam stepped into the vacuum of Egyptian defeat.

Thus, unofficial sources of funds from the Gulf countries, especially from Osama bin Laden, have played a critical role in exporting desert-brand fundamentalism to Egypt.

The Egyptian Ministry of Culture has tried to resist by, among other

methods, publishing a series called "The Books of Enlightenment." But we lack the kind of financial resources that Mr. bin Laden can command; his books are cheap and more widely distributed than ours. When he was living in Sudan, he decided to supplement his activities by strengthening terrorist activities all over the world.

The strongest fundamentalist movement in Egypt today is the Muslim Brotherhood. Founded by Hassan Banna, it started in the Suez Canal area during the period of upheaval against British rule. They mixed the ideas of liberation from colonialism with return to "pure Islam."

Hassan Banna was deeply influenced by the ideas of one of the famous Hanbali scholars, Bin Tanweer, a man of the desert. "Late Hanbali Islam" emerged during the Crusades when Muslims were fighting the invasion from Europe and had to go to ideological extremes to survive. The religious ideas of Bin Tanweer are the basis upon which the Saudi creed was built. Those ideas became the pillars of the state in Saudi Arabia.

At first, the Muslim Brothers remained tolerant because of the Egyptian context. But as time went on, the rise of Gamal Abdel Nasser and the

new Arab nationalism in 1952 created a reaction from the desert.

The Saudi monarchy wanted to destroy the influence of Nasser. In this we saw the beginning of Egypt's struggle with fundamentalism. After Nasser's defeat in 1967 and the destruction of Arab nationalism, the desert Muslims offered their ideology with the slogan "Islam is the Solution."

Their great hope has been that a return to strict Islam would provide the strength for a final victory over Zionism and Israel.

Today the Nile culture is endangered by the encroaching desert. To reassess the Nile sensibility, we are emphasizing cultural education focused on the Egyptian ideas of tolerance and respect for difference.

We will need time to turn back a tide that has been gathering popular momentum for more than 20 years. It won't be easy. But if our long history is any guide, the Nile will nourish tolerant Islam once again.

Gaber Asfour is secretary-general of Egypt's Supreme Council of Culture. This comment, adapted from a conversation with Leilo Conners of New Perspectives Quarterly, was distributed by the Los Angeles Times Syndicate.

Two Wounded Presidents, When Leadership Is Urgent

By Flora Lewis

PARIS — Two wounded presidents met this week in Moscow. They could accomplish little beyond avoiding the embarrassment that each would have felt at calling off their long-planned summit.

If it is a pity, there are urgent issues to be addressed between Russia and the United States that are not getting resolved at lower levels of authority.

Nuclear arms control is at the top of the list. The START-2 treaty, which would halve each side's long-range missile warheads and clear the way for negotiations further needed reductions, was signed by President George Bush before he left office.

Ratification was then stalled in Washington for three years as hostage to Senator Jesse Helms's tempestuous feud with the State Department. By the time the Senate acted, Russia's Duma was in no mood to listen to President Boris Yeltsin.

There is little hope, now that the Duma is doing all it can to cut down Mr. Yeltsin and his

retread prime minister, Viktor Chernomyrdin, preemptively fired only four months ago. Both Mr. Yeltsin and President Bill Clinton would like to divert attention to such major issues, but both are mired in domestic affairs over which they have lost normal control.

One is mired in tragedy as the

Russian economy and society decompose, the other in farce. Neither one remains a fully effective leader.

The American system, with its well-tested checks and balances, makes it somewhat easier for a hamstrung president to continue to function, and America is still prospering while much of the world crashes into depression that could drag the Industrial West down, too.

But Russia is in grave crisis. It is a mistake to consider its marginal share in the world economy as reason to brush aside its woes, and not only because of its missile power. It

remains a vast, important country with huge potential, and it needs to be a more integral part of the world community if the post-Cold War period is not to slide into new disasters.

Perhaps too much was made of the role of leaders and their personal relations during the long years of trying to manage confrontation. Modern media magnify individuals at the peak, so that their weakness seems to undermine a whole nation.

But decisions do have to be made in dealing with assorted threats around the globe — Iraq, Central Africa, Bosnia, Kosovo, North Korea — and they aren't made when presidents are distracted or paralyzed.

Fortunately, there is a consensus among the Western powers to continue trying to help Russia find its way out of the badly bungled transition from a communist economy to the market. But there is a dilemma. Much of the aid so far has been

wasted or stolen, so there is a reasonable demand that further contributions must have strings of conditionality attached.

The standard IMF conditions of slashing the budget, tightening the currency, privatizing the economy (which has not undercut monopolies, only shifted control to greedy financiers) are inappropriate or have not worked, however. More of the same will produce more of the same — accumulating disaster.

The Communist leader, General Zyuganov, was right to say that the renominated prime minister offered no coherent program or useful policies. That was the reason the Communists gave for voting against Mr. Chernomyrdin, although their real motive was evidently to enforce a deal stripping Mr. Yeltsin of most of his power.

There needs to be a much more careful analysis of the kinds of reform that Western aid seeks to promote, with an understanding that monetary maneuvers are not at the heart of

the problem, which is to get people back to work and to earning purchasing power.

The West cannot interfere in the leadership issue, just as America would not tolerate foreign interference in Mr. Clinton's travail. But it cannot avoid interfering on programmatic issues if it is to keep providing credit. To cut off aid would also be a form of interference.

It is something of an irony that at the end of a century whose worst problems were caused by autocratic and dictatorial leaders, weakness at the top is the problem now for these two countries. Both Mr. Clinton and Mr. Yeltsin face recalcitrant, hostile legislatures, and legislatures are inherently poor at statesmanship.

The names of the leaders don't matter all that much, but the capacity to make and carry out reasoned policies does matter. America must do what it can to get Russia and itself out of their paralyzing binds.

Flora Lewis.

But Why Insist on Painful Reform if the Russians Don't Want It?

By Charles Krauthammer

WASHINGTON — Why is America playing doctor to Russia? What was Bill Clinton doing over there in the middle of an economic collapse urging Russians to endure even more bitter economic medicine?

Seven years ago, the U.S. policy of urging unbending capitalist reform made sense. We didn't know where Russia was going. It was still possible that it would turn from a communist enemy into a strong, free market, democratic partner.

We now know that this is not going to happen. Russia has turned into something rather different. It is a democracy in

form, having elected a president and a Duma, but for seven years it has been decidedly authoritarian. Almost all power has been vested in a president who routinely ignored the Duma and ruled by decree.

Seven years have produced not a free market but what Grigori Yavlinsky, one of the country's leading democrats, calls "a corporatist and criminalized sort of capitalism." An oligarchy of barons, having in effect stolen a huge part of the Soviet patrimony, rule and rob the country, sometimes with

and sometimes without the acquiescence of Boris Yeltsin's people, while the general economy sinks into oblivion.

Mr. Clinton flies into this swamp and what does he do? He urges Russians to stay the course — to endure more pain because "I do not believe there are any painless solutions." To pay their taxes — to a kleptocracy understandably unable to collect any. To repay their foreign creditors, in a country where schoolteachers and coal miners and soldiers have gone unpaid for months.

Fortunately, there is a consensus among the Western powers to continue trying to help Russia find its way out of the badly bungled transition from a communist economy to the market. They don't want to go the way Mr. Clinton has advocated, fact that even Mr. Yeltsin recognized when he fired his reformers.

If Russia wants to reorient its economy, it will be more democratic — more representative, more reflective of the popular feeling, less in need of decree — than the one Russia has now. It will command more legitimacy and popular support. Its actions will be less likely to produce the kind of anarchy and breakdown that the loose nuke crowd so fears.

If the Russians choose the optimal outcome, the best would be a strong, growing, democratic Russian ally. But that is now a fantasy.

If the Russians want to choose the gradual decline that comes with more state control, why say "no"? Why go to Russia and advocate surgery without anesthesia? If they are going to suffer, and they surely are, let it be by a means of their choosing.

True, but collapse and disarray are going to occur. The anger in the streets and anarchy in the air are a direct result of the failure of the very reforms that Americans are urging and the Russian people are resisting.

There is today no government in Russia. The Duma is so opposed to Mr. Yeltsin's program that it will not even approve his nominee for prime minister. His authority is so diminished that he dares no longer to rule by fiat. He will in the end have to acquiesce to some form of government that includes Communists and other anti-reformers.

Ironically, such a government will be more democratic — more representative, more reflective of the popular feeling, less in need of decree — than the one Russia has now. It will command more legitimacy and popular support. Its actions will be less likely to produce the kind of anarchy and breakdown that the loose nuke crowd so fears.

This is not, of course, the best outcome. The best would be a strong, growing, democratic Russian ally. But that is now a fantasy.

If the Russians want to choose the gradual decline that comes with more state control, why say "no"? Why go to Russia and advocate surgery without anesthesia? If they are going to suffer, and they surely are, let it be by a means of their choosing.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO**1898: Dreyfus Affair**

PARIS — The Dreyfus affair produced yet another sensation

— M. Cavagnac, Minister of War, has resigned. M. Bourges made known his view,

which conforms to that of the

President of the Council. He was

of the opinion that in the actual

position of things, the revision of

OPINION/LETTERS

U.S. Should Quit Bluffing If It Can't Oust Saddam

By George F. Will

WASHINGTON — "Maybe Madeline is the realistic one here," says Scott Ritter. "Maybe she says, 'We're not up to the task.'"

What Secretary of State Madeleine Albright seems to have said, sotto voce, to the United Nations is that the United States wants UN inspectors in Iraq not to conduct the most aggressive and important inspections of facilities pertaining to weapons of mass destruction. Why provoke Saddam Hussein to call the U.S. bluff when Mrs. Albright knows the United States has been bluffing when threatening severe consequences for an obstructionist Iraq?

Mr. Ritter, speaking by telephone from New York about his resignation from the ranks of UN inspectors, says essentially this: Discretion, which may be a polite characterization of Mrs. Albright's policy, might be right in the absence of valor, or of any other alternatives.

Mr. Ritter, 37, was until last week the most senior American, in terms of responsibilities and length of service, on the UN team toiling to eliminate Iraq's weapons of mass destruction. He resigned rather than continue to lend his considerable credibility to the charade that the inspection process has been reduced to.

This reduction is a result of the secret U.S. policy of discouraging surprise inspections that might provoke a crisis.

Realists understand that arms control usually is impossible until it is unimportant. That is, arms control controls almost nothing, and is itself a process of competition, until adversaries stop competing. The collapse of U.S. policy toward Iraq demonstrates that the UN arms control policy there always depended on something nonexistent: a credible military threat to Saddam's survival.

Regarding Iraq, arms control must mean regime removal or it will mean nothing. If Saddam cannot be toppled, we Americans should shut up rather than continue to squander U.S. credibility and contribute to the cynicism of the American public. Mr. Ritter rightly says that the illusion of arms control is worse than having no arms control "process."

Mr. Ritter says that in Iraq "the people who protect the weapons

are the people who protect the president"; if he is right, "enforcement" of the original UN mandate of eliminating those weapons must mean eliminating the man.

Mr. Ritter says his Gulf War experience in "counter-Saddam" operations — trying to eliminate Iraq's missiles — left him with no illusions about the feasibility of disarming Iraq solely by means of air strikes. If he is right about that, then conceivably attacking the barracks and command-and-control facilities of the presidential security apparatus might produce a coup against Saddam.

Even if such a scenario is plausible, a prerequisite for implementing a muscular policy is a serious U.S. president, one who can convince the country because he has beliefs and is believable.

Obviously such a policy is currently impossible.

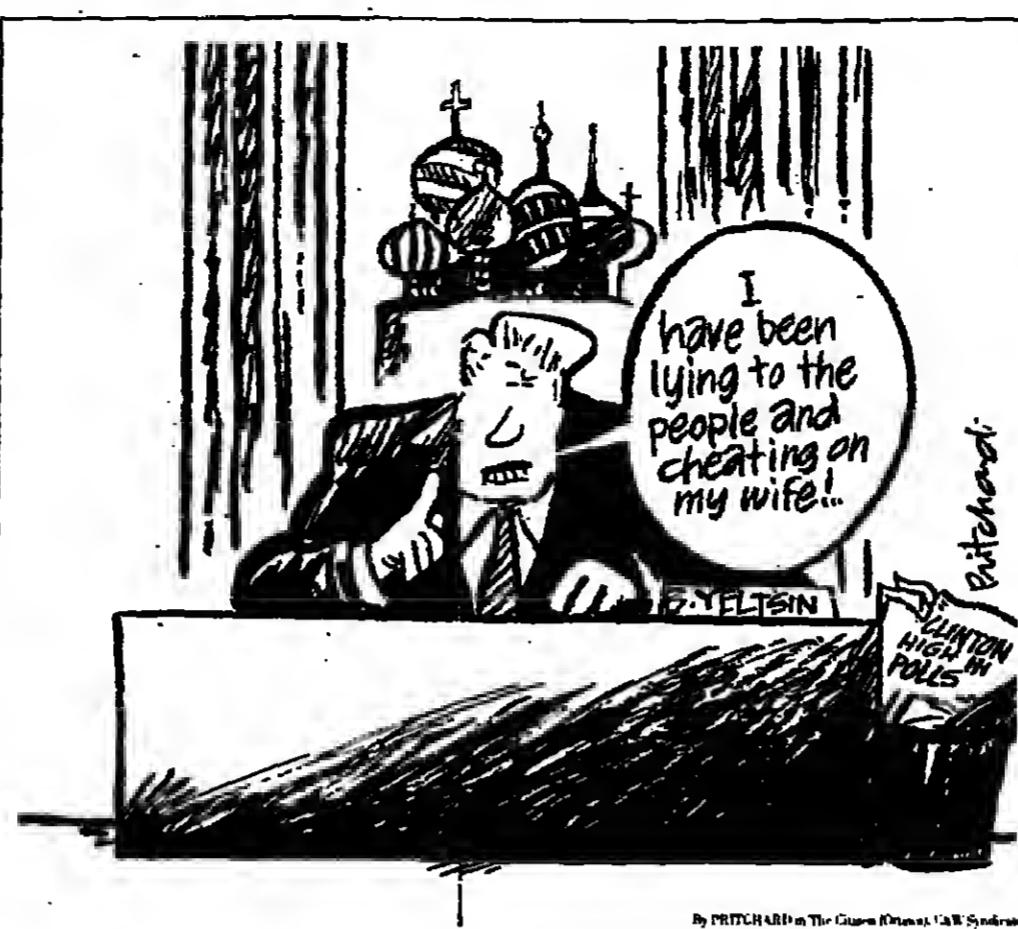
On television recently, Governor Roy Romer of Colorado, the Democrats' national chairman, likened the American public to airline passengers who are indifferent to the pilot's "personal life" because he is giving them a safe flight through a storm.

But Iraq is erasing all impediments to its development of weapons of mass destruction: satellites are beaming back pictures of North Korea's new nuclear facilities that make a mockery of the 1994 accord that supposedly neutralized the threat; North Korea is expressing its contempt for the United States and its allies by launching a missile across Japan, and the stock market is turbulent.

Conceivably, American passengers are becoming queasy. They may soon rethink the question of whether it is a purely "personal" matter that the pilot is an adolescent lar who parties in the cockpit with the flight attendants. Is his personal character altogether irrelevant to the question of whether they will enjoy a soft landing?

Four congressional committees are interested in hearing from Mr. Ritter. The importance of the policy disarray that his resignation protests, and the rarity in American public life of resignation on a point of principle, will render his testimony riveting. But, then, the mere sighting of such an adult in Bill Clinton's Washington would be newsworthy.

Washington Post Writers Group.



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LETTER TO THE EDITOR

Help Russia Now

Regarding "The Best Russia Policy Now Is Hands Off" (Opinion, Aug. 31) by Richard Pipes:

It would seem from his article that Mr. Pipes has either run a business not been a lender to one. The worst thing the international community could do now would be to adopt a wait-and-see attitude toward Russia's crisis.

I find it difficult to imagine that the West's aims will be best served by allowing Boris Yeltsin's government to be replaced by "coalition government, with Communist ministers in minor posts," as Mr. Pipes recommends.

Would this magically wipe away Russia's unpaid debts? Would Russia no longer need external investment to provide for jobs, shelter and food? Would the new government be any more able to adopt sweeping economic policies? I think not.

Russians already know that the crisis is of their own doing, and an American "hands off" policy is not needed to force their acknowledgment.

Such a recommendation is wrongheaded, vindictive and not constructive.

It is reminiscent of the old farm bank policy of pulling short-term credit lines. A farmer could not buy new seed to plant a harvest and was thus forced to declare bankruptcy. The bank then liquidated the farmer's assets and no one got paid.

Russians did not force American retirement fund managers to buy Russian debt in search of yields unavailable in the West, nor did they ask George Soros to take untenable positions on their currency. These are losses that should be assumed by adults who were fully informed of the potential risks.

What Russia is attempting is a massive, perhaps unprecedented, restructuring of a political and economic system. Seven years is not a long time given such an undertaking.

While the blind infusion of new money is not the answer, neither is holding the Russian economy hostage to International Monetary Fund prescriptions that are so

sweeping as to be almost laughable as preconditions to a disbursement.

What is required: an immediate restructuring of short-term obligations to be undertaken by U.S.-European financial institutions; an institutionalized tax collection system implemented methodically and not based on jackbooted thugs raiding offices, and the revamping of the banking sector with a view toward closing the slush-fund banks of the oil barons.

It hardly seems fair to proclaim indignation toward Russian debt policies when the credit the West extended made possible U.S. wheat sales and the export of European machinery and Asian consumer goods.

Russia is an important market that we must engage constructively, as responsible lenders. We must stop waiting on the sidelines for the Russians to, as Mr. Pipes puts it, "merit further assistance." They already do.

MAURICE JOHNSON
Frankfurt

The Kindness of a Stranger Who Didn't Leave a Name

By Eileen McNamara

BOSTON — He was of medium height and medium weight. His hair was a medium shade of brown. It's not a lot to go on, but Kimberly Ripley intends to find the Massachusetts man who helped save her children's lives.

Exactly a month ago a truck sideswiped Ms. Ripley's car on Interstate 95 near the Virginia-North Carolina border. The impact

MEANWHILE

forced her tiny car off the road and into the woods. The car rolled over twice before slamming into a pine tree and coming to rest on its roof.

Ms. Ripley was battered and bruised but managed to free herself from the wreckage. Her three children — Elizabeth, 9, Ricky, 7, and Andrew, 1 — were trapped in the back seat.

Her daughter was unconscious. Her first grader's leg was broken. Her baby was hysterical. The truck and its 18-wheeler were long gone.

Kimberly Ripley was near hysteria herself when, seemingly out of nowhere, a stranger's hands reached through the shattered rear window and eased first Ricky, then Elizabeth and finally Andrew out of the car and onto the grass a safe distance from the smoking, twisted metal.

The man who rescued Kimberly Ripley's children from the burning car identified himself as an emergency medical technician from Massachusetts. He had been driving directly behind her. Just before the crash, he had called police from his car phone to report the truck's erratic driving. If he told her his name it did not register in the confusion at the crash scene.

She watched him find a board on the side of the highway and use it to set her son's leg. She saw him wade down passersby to solicit blankets, ice, towels, whatever makeshift aids he could use to stabilize her injured children. By the time Ed Miraglia, a nurse from Bowie, Maryland, pulled over to help, the man from Massachusetts had the situation well in hand.

With the kids out of the car, the severity of the accident became starkly apparent to Kimberly Ripley. The spare tire had been pushed into the back seat; the Jack had been thrown into the front passenger seat. The infant car seat

that had held Andrew had crumpled like paper.

"Andrew only had burns from the straps of his car seat and some scratches. It's miraculous that he, that all of us, weren't killed," says Ms. Ripley, who passed out when she saw the extent of the damage and how close her family had come to tragedy.

When she regained consciousness at Halifax Hospital, the medical technician from Massachusetts was at her bedside. He told her that it had taken the ambulances about 45 minutes to arrive but that her two youngest children had remained remarkably calm.

Elizabeth was the most severely injured. The head trauma that had knocked her out during the rollover kept her in the intensive care unit for four days and hospitalized for many more after that. She remains under the care of a team of doctors.

"I was sobbing 'I almost killed us all, I almost killed my family,' and this man kept consoling me, telling me that it was not my fault, that I had not caused the accident, that the truck driver was the one responsible," Ms. Ripley recalls.

It was not until she stopped crying that she noticed that the man she calls "my hero" was holding new toys, a stuffed white kitten for her little girl and some toy soldiers for her boys.

"I remember he told me that he went to Wal-Mart after the ambulances took us away and then he came to the hospital to check on us. He bought toys to try to cheer up my children. Can you imagine? And I don't even know his name."

The North Carolina Highway Patrol is still looking for the driver of the tractor-trailer who hit the Ripley family. Kim Ripley hopes the police find him, but, for her part, she is looking for the man from Massachusetts.

The anonymity of the stranger who stops to help an injured man on the roadside is a crucial element of the biblical story of the Good Samaritan. There is virtue in doing good without any expectation of acknowledgment or reward.

In this story, however, the stranger from Massachusetts could perform one more act of kindness for the Ripley family by raising his hand.

The Boston Globe.

BOOKS

THE PROFESSOR AND THE MADMAN

By Simon Winchester. 242 pages.
\$22. HarperCollins.

Reviewed by Mark Rozzo

IN 1879, James Murray, an expert on the dialects of his native Scotland and the recently appointed editor of "The New Dictionary on Historical Principles," called for volunteers from Britain, America and the Colonies to help create the first complete dictionary of the English language. One of the many armchair lexicographers who responded to Murray's appeal was W.C. Minor, an American physician living near London, at Broadmoor, Crowthorne.

Minor would go on to astonish the dictionary staff by sending in more than 10,000 quotations culled from some of the least-read books in the language. Meanwhile, "The New Dictionary on Historical Principles" outgrew its original four-volume design, spreading out over 50 years (not counting the fruitless 20 that preceded Murray's editorship) and into the 12 slab-like volumes we now recognize as "The Oxford English Dictionary."

The unlikely relationship between the tireless Scottish editor and his reclusive American helmsman is the focus of Simon Winchester's "The Professor and the Madman," a book that is as fun as it is frustrating, though one suspects it should be neither.

The "madman" in the title is Minor, who, as Murray discovered after years of correspondence, was an inmate of the Asylum for the Criminally Insane at Broadmoor. Murray had envisioned the mysterious doctor as a lettered man of leisure; by the time the two finally met in

1896, Minor had been incarcerated for 24 years, having spent most of that time combing through rare editions in his comfortably appointed suite.

The Yale-educated Minor came to London from New Haven in 1871, after a breakdown forced his retirement from the U.S. Army. He had been a surgeon in the Civil War, a singularly gruesome job in a singularly gruesome war. His wartime experiences may have first got him unhinged, but it wasn't until Minor settled in seedy Lambeth, South London's "swampy gyre of pathways," that he really lost it.

On one such night, shortly after 2 A.M. on Feb. 17, 1872, he shot and killed George Merritt, a laborer en route to his shift at the Red Lion Brewery. A swift trial followed, and Minor was sentenced to imprisonment at Broadmoor "until Her Majesty's Pleasure be known." It seems that Minor had suspected Merritt of being one of the Irish Fenians who, he insisted, had been stealing into his flat at night to poison and violate him. Minor had already complained to Scotland Yard about nocturnal disturbances, had begun to envelop him in America, where strange men tried to get him to eat poisonous, metallic biscuits.

The police investigation revealed that Minor had a strong affection for Lambeth's plentiful broths; Broadmoor authorities discovered that Minor had been beheaded by sex ever since his boyhood in Ceylon, where his parents ran a misfortune and girls ran naked on the beaches. Even after his confinement, delusions of nightly orgies and sexual coercion would plague him until 1902, when he treated himself with a cure that is best left undescribed.

Murray's life, meanwhile, was co-

sumed by happier, if less dramatic, obsessions. The elephantine project of getting the Big Dictionary together was making him a notable scholar, and, in 1908, a knight of the British Empire. Still, the sad lot of Minor — whose weekly contributions to the OED Murray considered invaluable — continued to fill Murray with pity, and be made visits to Broadmoor to hock up his incarcerated colleague's spirits.

Winchester's history of the OED is brisk and entertaining but sometimes exaggerated so as risks sounding like an episode of "Lifestyles of the Victorian Scholarians": "Their learning was unrivaled, their scholarship sheer genius, their contribution to literary history profound." Likewise, his ear for American history could use some fine-tuning. The well-traveled English journalist has a flood of immigrants "pouring in from Ellis Island" in 1866, when, in fact, Ellis Island opened to immigrants in 1892. But the bigger problem is that, despite Winchester's access to previously unseen material, we're never sure who he is cleaving to facts and when he's fictionalizing.

And he finishes with a salute to Minor's victim that could almost be a macabre Oscar-night speech: "to the late George Merritt of Wilshire and Lambeth, without whose untimely death these events would never have unfolded, and this tale could never have been told."

"The Professor and the Madman" is indeed a tale or, as Winchester elsewhere describes it, "an amusing little saga." Beyond that, it never seems to know what it wants to be.

Mark Rozzo, who is on the editorial staff of *The New Yorker*, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

At the world championships in Lille, France, the French teams were hoping to make it three in a row. In last year's final, they overcame the Nick Nickell team that had been dominant in American tournaments in recent years. There was some irony in the diagrammed deal played early in the match.

It is conventional wisdom that a declarer is better off reaching a contract quickly — without giving information to the opponents — instead of using a slow auction that helps them select an opening lead. In this case both North-South pairs arrived in three no-trump.

The French declarer was Frank Mulron, who struggled into three no-trump as shown when this collected the queen. He could count nine tricks, since the heart ace remained

third position. Most experts would have done the same, hoping to indicate a lead to partner. South doubted and showed a strong hand with a two-spade cue-bid when his partner, Hervé Monod, responded two diamonds.

North's three-heart bid showed that his hand was not useless, and three no-trump was the obvious choice.

Bob Hammann, as West, knew exactly what to lead: a spade. South played low from dummy and allowed East to win the ten. This was an error on a double-dummy basis, for East could have shifted to a heart and removed dummy's crucial entry. When East had no way of knowing this, and continued with the spade king.

Now South took his ace and played his top diamonds. When this collected the queen, he could count nine tricks, since the heart ace remained

as the entry to the diamonds. He made an unimportant overtress when East later gave up a club.

In the replay, East did not open the bidding and the American South, Jeff McKeown, bid two no-trump. This was raised to three no-trump, and the French West, Christian Mari, had no idea what to lead. He took a stab at the heart queen, which was the partnership choice from king-queen with a weak suit, and it might have been disastrous. But he struck gold: Not only did he find his partner with the jack of hearts and length, but he was able to remove dummy's crucial entry. When the queen was allowed to win, he continued with the king. This also won, and he played a third round removing the ace.

South took a diamond finesse successfully and played the top diamonds. But his attempt to reach dummy with a

club lead failed and the contract was doomed. He could have made eight tricks but emerged with only seven so France gained 13 imps.

So the man who knew too much was defeated by the man who knew nothing at all.

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Photo taken at the Westminster, restaurant Le Celadon, Paris.

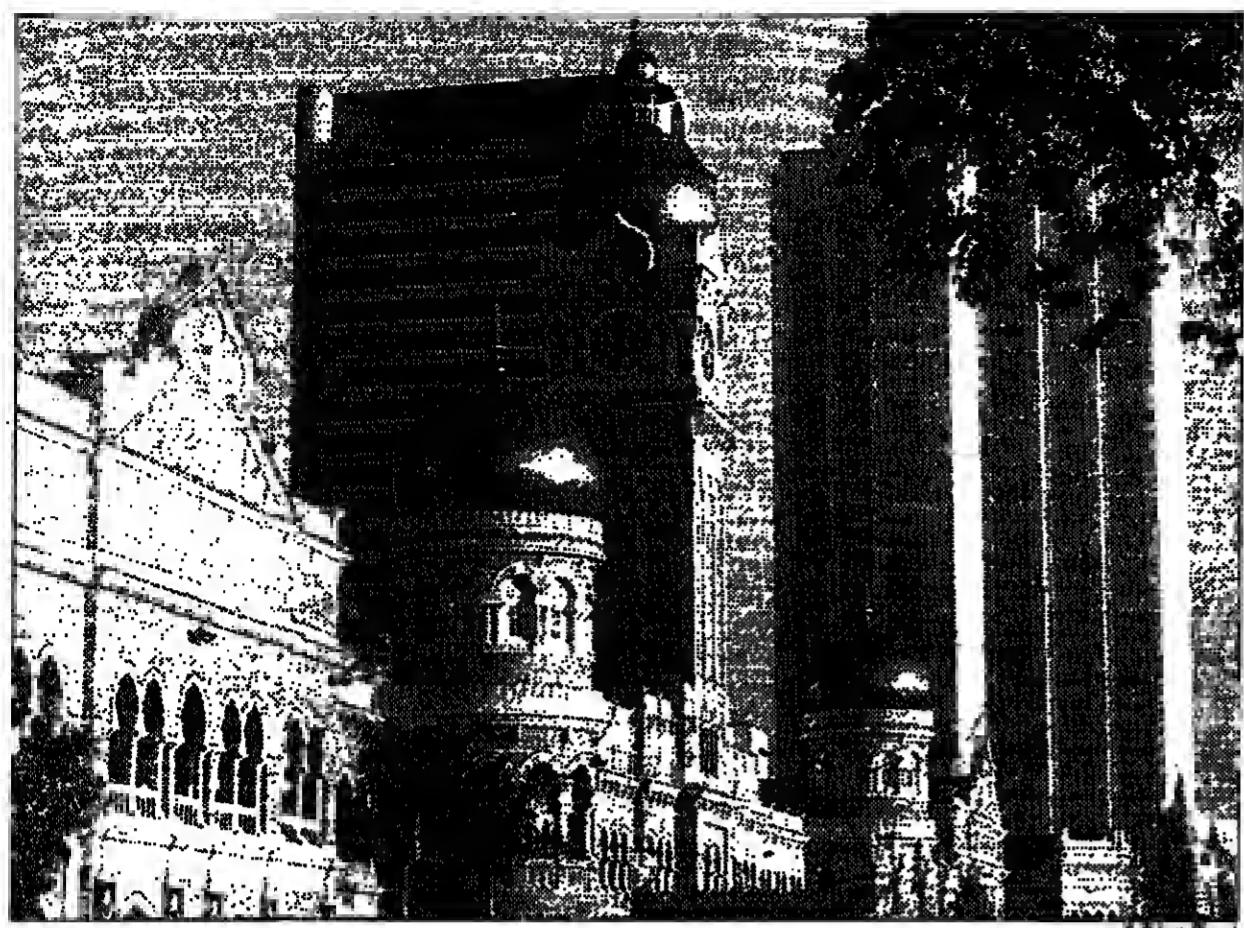
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Leisure

TOMORROW:
MONEY



Skyscrapers loom above the colonial-era palace of the Sultan Abdul Samad in central Kuala Lumpur.

Malaysia's Dazzling Mosaic

Pursuing the Secrets of the Mysterious Peninsula

By Gary Lee
Washington Post Service

MALACCA, Malaysia — The sultry air hanging over Malacca did not make for an easy climb, but I was determined to make it to the top of the grass-covered knoll ahead. One of the three secrets to the charm of the Malay Peninsula, a less-traveled corner of Southeast Asia, celebrated for its lush tropical landscapes and colorfully mixed population, lay somewhere up there.

Or so my guide had told me. Sofyan, a Malay chef who had taken his day off from making a spicy beef stew known as rendang to show me around Malaysia's third largest city, was scampering a few feet ahead, up the incline called Bukit China. Earlier that afternoon, during a chance meeting in a cafè, he had asked what brought me to this sleepy Malaysian port.

Looking up from my glass of sugar cane juice, I wondered what I should say. That I was drawn halfway around the world by the ball of orange that drops breathtakingly across the Straits of Malacca at dusk? Or that it was the irresistible taste of spicy noodles sold by street hawkers that had attracted me? Or should I acknowledge why I had really come to wander the beige beaches of the Malaysian island of Penang?

I was searching for a place of perfect ethnic harmony. Through books and photographs, I had amassed an image of Malaysia as home to the world's most extraordinary conglomeration of races and faiths. The demographics of the region are dazzling. Of Malaysia's 21 million inhabitants, about 59 percent are Malays — a brown-skinned people of blood mixed from Chinese, Arabs, Siamese and Javanese.

Chinese, who first came as traders in the late 14th century, comprise 32 percent. Indians make up 9 percent. Iban, Kadazan and a handful of other indigenous tribes constitute the rest. Islam, imported by traders from southern India, was embraced by Malays and is now the country's predominant religion. Many Malaysians also practice Hinduism, Taoism and Christianity.

Of course, population statistics tell only part of the story. Over the past century, a few scribes have filled in much of the rest, in vivid detail. In "The Rescuers," Lord Jim" and other tales, Joseph Conrad wrote of the Malay archipelago as a dark and brooding place, where powerful sultans and rajas rose and fell. Chinese merchants amassed fortunes and a hardcore British expatriate elite clung to colonial power, all against the background of the humid tropics.

More recently, in "The Straits Chinese," the Malaysian sociologist Khoo Jo Ee shone a light on the rich subculture of Babas and Nyonyas (respectively, the male and female offspring of Sino-Malay unions) that flourished for centuries in Penang, Malacca and Singapore.

GETTING BEHIND THE SURFACE The more I learned about this region, the more I wanted to immerse myself in it.

Malacca, my starting point, is an ancient port that played a pivotal role in the settlement of the Malay Peninsula. Strategically located on the banks of the Straits of Malacca, it served as a point of entry and massive marketplace for spice merchants and other traders from the far corners of Asia. Successive conquerors claimed the city and built forts here. A century of government by Sumatran princes and sultans eventually gave way to Portuguese colonialists, who re-



One of the faces of Malaysia's rich culture.

In the end, the secret lies in three different places. Come. We have just enough time to visit them."

Our first stop was the Sri Pogyatha Vinayagar Moorthi Temple. Built of wood in traditional Indian style in 1781, it has been used since then as a place of Hindu worship.

From there we took a taxi to the Villa Sentosa, a small traditional Malay house on the edge of the city that serves as a museum showing outsiders how most Malays live.

Then we headed for Bukit China, a burial ground for Malaysians of Chinese descent. It's on a hill in a quiet corner of the city, footsteps away from Chinatown. As we climbed, I began to see tombstones rising above the uncultivated grass. I was at once inspired and mildly irritated. The inspiration came from the stunning view of the city from the top of the hill. The irritation resulted from spending a precious afternoon in a roundabout cemetery. It was not until a week later that I took time to reflect on that afternoon in Malacca.

In the end, my local contacts did not think so.

In conversations, many Chinese ethnics complained about restrictions imposed by the Malay majority. Requirements that the Malay language be used in the workplace made advancement hard for ethnic groups lacking proficiency in that difficult tongue. Malays complained that Chinese merchants hold too much sway over the economy. Also, the tensions that erupted in race riots in Kuala Lumpur in 1969 still lie beneath the surface.

My thoughts turned to my visits to the Malay house, the Hindu temple and Bukit China. I finally understood why he described them as secrets to the charm of the Malay Peninsula.

Together, the places represented the cornerstones of human existence in Malaysia: home, spiritual fulfillment and death. No matter where we all originated or what our skin tone, my guide seemed to say, our lives are about living under a roof and making peace with a higher being.

The Batu Caves, 20 minutes by taxi from the city center, seemed like the perfect retreat into serenity — a series of dimly lit rooms inside a towering limestone cliff. Even with monkeys running wild in and out of dark corners, I found it easy to spend an hour or two there.

The Central Market is a must for students of Asian ethnicity.

After a morning of window-shopping and haggling, I toured the National Gallery and the National Museum, a 10-minute walk further.

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From Sushi to Empanada

The New York Times takes a look at eating in four cities around the world:

TOKYO: A GREAT EATING TOWN

Tokyo remains one of the world's great eating cities, and a good place to begin is Roppongi, the night life district. Some of the city's best sushi can be found at Fuku Zushi, 5-7-8 Roppongi, Minato-ku, (81-3) 3402-4116, just underneath the Tokyo version of Spago, the Los Angeles restaurant. Lunch is a great bargain here: about \$20 at current exchange rates. Dinner runs from \$42 to \$75 a person if you stick to the set menus, but it can easily go higher if you order sushi by the piece and drink.

Just a few steps away is the noisy, always entertaining Inakaya, 5-3-8 Roppongi Minato-ku, Tokyo, (81-3) 3408-5040, a place for grilled wonders, from shrimp to huge shiitake mushrooms, that go far beyond conventional yakitori — grilled chicken on short wooden sticks. But the best part is the atmosphere: Diners sit at a horseshoe-shaped bar, and the chef's with traditional Japanese kerchiefs tied around their heads pass your food to you on long wooden paddles, while shouting orders at their colleagues (and sometimes their customers). The average price is about \$80 a person.

There is plenty of good cheap food, too; feasts can be had for \$20 or less. In the early evening, try the noodles and the yakitori under the tracks around Yurakucho Station, in the heart of downtown. This is where Japanese workers grab a bite before catching a train home. Most of the tables are outside, with a great view of the hulking trains pulling in overhead.

Down by the Tsukiji fish market is some of the best inexpensive dining in the city; just follow the workers at the market (their overalls covered with bits of fish) and eat where they eat. At Tsumagame, Kyosai-kaikan Building, B1 Floor, 4-7-5 Tsukiji, Chuo-ku, (81-3) 3541-3300, shrimp, vegetables and everything else come out of the tempura pot. The narrow bar, open until 2:30 P.M., is near the main Tsukiji intersection.

— David E. Sanger

NEW YORK: A WORLD TOUR

Like French food? You're better off in Paris. If Chinese food is your passion, go to Hong Kong. You will undoubtedly find superior sushi in Tokyo, tastier tacos in Tijuana and better biryani in Calcutta. But if you have a restless appetite, New York City is the world's best place to eat. You can have it all.

KUALA LUMPUR has grand ambitions. Although its population is only 2 million, a rush of new construction seems aimed at transforming it into a metropolis. At 1,483 feet, the Petronas Towers, modernistic twin skyscrapers that beam over the city, are the world's tallest structures. Kuala Lumpur's airport, just opened last month, is one of Asia's biggest landing fields. Although the city suffers no shortage of five-star hotels, a half dozen luxury chains are constructing properties.

Over drinks at the fashionable Royal Selangor Club, a colonial-era watering hole, Edmund Liew, a young Malaysian lawyer of Chinese extraction, and his wife agreed that the spirit of growth has made Kuala Lumpur one of Asia's most comfortable cities.

"Even in times of economic downturn," Liew said, "the city has a mood of prosperity about it."

For the casual traveler, that mood could make for a stylish vacation. And favorable exchange rates make it more affordable. The accommodations at the Regent, where I stayed at the discount rate of \$120 a night, were impeccable. A sumptuous dinner at the elegant Chinese restaurant Shang Palace was only \$26 for two.

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lightly charred crust that has the exact taste of southern Italy.

It seems like a long leap to Korea, but not on this trip. In that country Cho Dang Gol is a village known throughout the land for the quality of its bean curd. In New York it is the name of a restaurant at 55 West 35th Street, (212) 695-8222, that makes spectacular fresh bean curd every day and serves it in a range of dishes rarely seen outside of Korea.

There is no nicer way to while away an afternoon than with a glass of retsina and a few mezes (like tapas) in a Greek taverna. The one we're looking for is right on Seventh Avenue. Molivos, 871 Seventh Avenue, near 55th Street, (212) 582-7500, is named for a town on the island of Lesbos, and while it lacks a seaside setting, the tzatziki, or cucumber, yogurt and garlic dip, and taratorosalata, whipped fish roe, can take me, at least briefly, to a small Aegean island.

And now for a taste of international luxury: champagne and caviar in the dark Art Deco elegance of Petroesian, 182 West 58th Street, (212) 245-2214. It is just the thing before dinner, back in Paris. When Magny Le Coze moved to New York in 1986 she and her late brother, Gilbert, changed the way Americans thought about fish. Eating at his establishment, Le Bernardin, 155 West 51st Street, (212) 489-1515, is like visiting an exquisite restaurant in the City of Light. The three-course prix fixe dinner costs \$70 and the wine list holds many temptations.

I love all of these restaurants. But even more than that I love knowing that I can get up tomorrow and start all over again — with an entirely different itinerary.

— Ruth Reichl

MADRAS: DUMPLING AS SPONGE

I am up to my knuckles in idli again. For the three weeks I've been traveling through Tamil Nadu, the Indian state at the southeastern end of the subcontinent, I've not encountered a single spoon or fork. But I've handled — with the fingers of my right hand, as is polite here — at least one hundred of these white steamed dumplings, about the size and shape of a powderpuff, made of rice and ground lentils.

It's a messy business, for a South Indian idli is not meant simply to be picked up and eaten like a bun. It is an edible sponge, and the only way to really savor it is when it is sopping with the juice of one of its inseparable companions: chili and coconut chutney, and the rich, spice-laden reddish-brown soup called sambar.

This is where the knuckles come in. Idli-eating in a typical Madras restaurant like the Maharaja on Triplicane High Road, involves dumping the chutney and sambar over the dumpling, then massaging them into the dumpling with your fingers, to mix everything around nicely into a mush on the banana leaf that graces your idli platter, or thali.

To the uninitiated, it feels a bit like kneading the ingredients for a meatloaf. Doing it in public embarrassed me at first — I felt like a 6-year-old. Even more embarrassing was that the waiters would gather around to watch. By now, I'm a practiced hand because in Madras you get idlis for breakfast, lunch and dinner.

Madras — officially known now as Chennai — is not a great town for pricey, upscale linen-tablecloth dining (with one major exception: the exquisite Annalakshmi, 804 Anna Salai, 852-5109, a vegetarian gourmet oasis of hushed voices, antique wood-carved panels and brass chargers, run by devotees of the guru Sivananda), but it may well be the capital of haute cafeteria cuisine. The city boasts hundreds of fast lunch places, like the Maharaja, where 75 cents buys you a bottomless meal that lunch fit for a prince.

Tamil cuisine, like its culture, is thousands of years old, and revolves around a handful of staples: the aforementioned idli, the huge crisp rice-or wheat-batter pancake called the dosa, the savory madras — officially known now as Chennai — is not a great town for pricey, upscale linen-tablecloth dining (with one major exception: the exquisite Annalakshmi, 804 Anna Salai, 852-5109, a vegetarian gourmet oasis of hushed voices, antique wood-carved panels and brass chargers, run by devotees of the guru Sivananda), but it may well be the capital of haute cafeteria cuisine. The city boasts hundreds of fast lunch places, like the Maharaja, where 75 cents buys you a bottomless meal that lunch fit for a prince.

Real pizza is also hard to find. Lombardi's, 32 Spring Street, near Mott Street, (212) 941-7994, somehow transforms flour, cheese and tomatoes into a magnificent creation: Sweet tomatoes and melted mozzarella perch on a thin,

flaky crust; suddenly you are there. In the end, the secret lies in such variety and subtlety, such potential for culinary disaster or triumph! Ferment the batter of the dumplings for too long, and they will turn sour; steam them excessively, or leave them sitting for more than an hour or two, and they will turn to foam rubber; lace them with shredded carrots and chopped cashews, and serve them at steaming point, and they approach the divine.

In an ancient cuisine like the Tamil, the novelty of innovation falls away.

— Barbara Cansino

into a rosette-like offering, twisting the melon slices with smooth and mild slices of wild boar ham. The accompanying pickles form a perfect foil.

Monkfish is stuffed with nuggets of melon, the fish is cooked slightly, then teamed up with a iodine-rich sauce based on the delicate langoustines, or Dublin Bay prawn.

His nougat glace is laced with a confiture of melon, and of course the house aperitif is a refreshing, melon-flavored drink that includes an infusion of dozen of local herbs. He will show you the melon can be eaten raw or cooked, sweet or salty, hot, cold, or spiced, as an entrée or a dessert.

Prevot — whose family has been in the restaurant business in France for several generations — continues to dig deeper and deeper, working with melon growers to create a super-sweet and juicy Cavailon melon whose sweetness level is inspected with a syringe.

Perfect slices of melon are sautéed in butter and olive oil, anointed with a touch of balsamic vinegar, and turned over so slowly in red wine sauce.

Perfect slices of melon are sautéed in butter and olive oil, anointed with a touch of balsamic vinegar, and turned over so slowly in red wine sauce.

The small restaurant in the center of this old-fashioned farming town is decorated with what must be the world's largest collection of melon memorabilia, including Art Deco forks for spearing cubes of melon, melon artwork, pottery, posters, and trompe l'oeil works.

At the end of the season Prevot does not close up shop. He turns his attention to scallops, for his mother once ran a restaurant in Brittany where coquilles Saint-Jacques were the specialty.

In the winter, Prevot offers an art truffle menu. All this would be a lot of trickery if Prevot's passions were not built on the complete understanding of his ingredient, and a willingness to capture the best qualities of each.

Prevot, 353 Avenue de Verdun, 84

anada

Drinks Worth a Thousand Words

By William Grimes
New York Times Service

NEW YORK — The right drink does more than slake a thirst. It takes you somewhere, even though "somewhere" might be the very place you happen to be. A whiff of calvados to the fall sends a fragrant message straight from the orchards of Normandy. Consumed on the spot, at a cafe in Rouen, it fills in a tiny blank space on the imagination's map. With a poet's concision, it explains the place. For centuries, Normandy has been apples and apples have been Normandy.

What could bring the point home more memorably than a few ounces of the local spirit? A snifter is worth a thousand words.

In the great age of travel, this romantic link between drink and destination could get out of hand. In "The Gentleman's Companion," written in 1939, Charles Baker Jr. outlined a grand cocktail tour that took the reader on imaginative flights fueled by drinks like the Tiger's Milk, "from the historic Wagons-Lits in the Peking Legation Quarter," or "the unpredictable Balloon Cocktail from Calcutta's smartest restaurant, Firpo's." American readers whose idea of exotic travel went no farther than the Grand Canyon could go to their kitchens and shake up a Colombo Flying Fish or a Rangoon Star Ruby.

Baked went overboard, but in principle he was right. As often as not, drinks exude a heady local atmosphere, because they have a profound connection with the region or the city that gave birth to them.

Wine, beer and spirits literally spring from the soil underfoot, and, like a magic potion, they can transport a traveler straight to the roots of the territory he or she is exploring. France offers finer wines than Muscadet, but who, stepping off the ferry from Dover, would order anything else with a platter of oysters? A couple of years ago, when my wife and I settled in for a week in Les Montades, a one-street village in Languedoc, our landlady greeted us with a chilled bottle of Picpoul de Pinet — not great wine, but a profoundly local one. It was like getting a key to the city.

Cocktails, too, speak with a local accent — oot all of them, but enough of them to make the shrewd traveler think twice before reflexively ordering a generic vodka and tonic. Colonial rule has vanished, but the parched traveler in Bombay is allowed to conjure up one Merchant-Ivory moment by ordering a



Pimm's cup, or a Somerset Maugham moment drinking a Singapore Sling at Raffles Hotel.

And breathes there a man with a soul so dead that he would not order a sidecar at Harry's New York Bar in Paris? This titian among drinks, a combination of cognac, Cointreau and lemon juice, may or may not have originated at Harry's, but the bar is without question its spiritual home. Ordering one is an act of solidarity with the wave of Americans, Hemingway and Fitzgerald, among them, who beat an elbow at Cinq Rue Daunou in the 1920s.

New Orleans can reasonably claim to be the most different city in the land — it is in the United States but not necessarily of it. Exhibit A in this case would be the city's native cocktails, idiosyncratic concoctions that evoke the cosmopolitan polyglot New Orleans of the early 19th century. Order a sazerac or a Ramos gin fizz anywhere else in America and you will be rewarded with a blank stare.

At Antoine's, or Arnaud's or the Sazerac in the Fairmont Hotel, they know. The sazerac is a rye cocktail enlivened and Frenchified with a splash of Pernod (it used to be absinthe) and a dash of the locally produced Peychaud's bitters. The Ramos gin fizz is a feather-light gin cocktail made with lemon and lime juice, orange-flower water, egg white and cream, shaken until it becomes a fragrant foam.

Most New Yorkers think of the Waldorf-Astoria as a hotel, but for cocktail enthusiasts it is a bar, richer in history than any other bar in the city. It takes a little imagination to reclaim the place and turn back the clock, since the old Waldorf Bar disappeared with the old Waldorf-Astoria in 1929 after serving as a "potent school of bibulous instruction," in the

words of one historian, from 1893 to the onset of Prohibition in 1920. But the new bar salvaged the bronze bull and bear that presided over the old place and maintained the ornate look that spelled luxury in the days when giants like Bettie Gates roamed Manhattan, and Buffalo Bill Cody held court, happy to accept a free drink with the words, "Sir, you speak the language of my tribe."

The stock ticker is electronic now, and the sporting element has disappeared, but the Bull and Bear, as the bar is now called, is still a good setting in which to sniff the faint fingering aroma of an older, brasher New York. The appropriate drink helps: There's no point in asking for a McKinley's Delight, a 1915, a Tibby or most of the more than 400 cocktails served at the Waldorf Bar, but a Bronx might put you in business. Before Prohibition, this beguiling combination of gin, orange juice and sweet and dry vermouth ranked as one of the city's most popular cocktails. Overconsumption of bathtub gin disguised by orange juice pretty much ruined that particular flavor combination, and the noble Bronx died an untimely death. It deserves to be rehabilitated and placed right next to the Manhattan as one of New York's many gifts to the civilized world.

THE history-minded cocktail lover could cut a wide swath back and forth across the United States, sipping a Ward Eight in Boston, a Clover Club in Philadelphia and a Hemingway-sized daiquiri in Key West. A pisco punch in San Francisco would honor the clipper-ship era, when pisco brandy made its way up the coast from Peru, and no California trip would be complete without a move south for the island fantasy drinks that Don the Beachcomber and Trader Vic unleashed in the 1930s and 1940s.

There's a purely selfish reason to drink local. You stand a better chance of getting a quality product. The mint julep never did much for me until the day I found myself in Jocelyn's, a small family-run restaurant in Ocean Springs, Mississippi. When the waiter drifted over and asked for drink orders, one of the diners, a local resident, said, "Go on and try the julep — they're pretty good here."

The waiter returned with a tray of tall glasses beaded with condensation. I lifted an ice-packed glass, buried my nose in a swirl of mint garnish and let the rich, sweet bourbon trickle down my throat. As thirst quenchers go, this one ranked near the top of the major leagues.

54

Directed by Mark Christopher. U.S.

Years from now, if Mark Christopher's timid, meandering film is spoken of at all, it will probably be lumped together with Whit Stillman's "Last Days of Disco" as one of two movies released in 1998 to bungle the same opportunity. Both films, while purporting to examine New York City's voracious late-1970s disco culture, adopt a prudently distanced attitude toward a moment just before the AIDS epidemic struck when voluptuous hedonism became a kind of mass hysteria. Sex, drugs and disco: you couldn't ask for a juicier mix. But when it comes to squeezing juice, both movies come up dry. Christopher's film is an informal history of Studio 54, the disco culture's ultimate pleasure dome and celebrity hangout, a kind of floating Andy Warhol party whose glory days ended abruptly when the place was raided by the Internal Revenue Service. Unable to decide if it's a retrospective expose, a "Saturday Night Live" spoof or a "Saturday Night Fever" retread, "54" ends up a confused mishmash of all of them. The film provides only scattered intimations of the tribal ecstasy, the beat-driven synergy of light, sound, drug-enhanced eroticism and the giddy narcissistic euphoria of imagining yourself at the center of the world, which was the essence of the Studio 54 experience. Unable to decide if it's a retrospective expose, a "Saturday Night Live" spoof or a "Saturday Night Fever" retread, "54"

Ryan Phillippe, left, in a scene from Mark Christopher's "54."

way stop. Let's stretch the metaphor while the elation in an old pair of pantyhose, we should mention that the tale's structure is more in line with "Sleepless in Seattle." Though a shade darker than the commercial hit "Wonderland" similarly keeps audiences in suspense by keeping potential soul mates apart. Here, however, it's not distance but circumstance that prevents them from cute collision.

Though they regularly cross paths, they invariably go their separate ways at the last millisecond. But in examining their separate lives, director Brad Anderson and his hand-held camera hope to prove that Alan (Alan Gelant), a pensive ex-plumber, is meant for Erin, a wistful night-shift nurse. And while we'd rather see her run off with a hunky Brazilian (Jose Zuniga), Anderson does have a point. Erio, dumped by her activist boyfriend (Philip Seymour Hoffman) in the film's witty prologue, is soon wallowing in solitude. She has come to treasure her time alone, reading the old books she loves, listening to her bossa nova records and remembering her late father. When her mother discovers Erin thus becalmed, she decides to blast her out of her funk. Without telling her, she places a personals ad in the local paper. "Frisky, cultured with a zest for life," hardly describes the sad, somewhat cranky and still supremely ticked-off Erin. Though she's furious with her mother for meddling, Erin gives in to her curiosity and responds to the sudden deluge of voice mail. Meanwhile, Alan pursues his studies in marine biology, volunteers at the Boston Aquarium and tends off the frequent advances of a lusty classmate (Carrie-Anne Moss). He's also in hook to a loan shark, both for his tuition money and for his father's gambling debts.

(Stephen Holden, NYT)

NEXT STOP WONDERLAND

Directed by Brad Anderson. U.S.

This film has its Alice, its Queen of Hearts and even a rabbit hole of sorts. There are also many odd creatures stirring about this whimsical tale. That they happen to be everyday dweebs, duds and freaks attest to the off-center sensibilities of this charming comedy about the search for love. Erin (Hope Davis) is the "Alice": a not-quite-beautiful blonde with a propensity toward bemusement. Her mother (Holland Taylor) is the imperious know-it-all, and Wonderland is a Boston sub-

"Next Stop Wonderland" manages to keep the soul mates apart and still keep us guessing. (Rita Kempley, WP)

BLADE

Directed by Stephen Norrington. U.S.

In the lurid, loud and bloodshot "Blade," Wesley Snipes isn't so much cast in the title role of a comic-book superhero vampire hunter as he is infected by it. As Blade — a half-man, half-vampire born to a mother bitten during pregnancy — Snipes's performance is fever-hot and artery-deep. He becomes a nitro-burning vehicle for his larger-than-life alter ego. In one of the film's earliest scenes, Blade is shown brutally pummeling the face of a policeman he suspects has been collaborating with the vampire underground, which the film would have you believe is everywhere. Using the man's body as an impromptu dust mop, he proceeds to clean up the apartment of a woman he has just rescued from a particularly bloody-bloody-jugular-sucker (Donald Logue). "Is all that necessary?" asks Karen (N'Bushe Wright), as her furniture explodes in splinters. Strictly speaking, yes. Not to advance the story, however. What narrative there is here — a dense, illogical tangle involving the plot of a young, renegade vampire posse to usurp their elders and defy their leader (Stephano Dorff) — is as ridiculous as the day is long. With style to burn, the production team has created an entire, lavish world out of only three colors: black, white and red. In the stark, anonymous metropolis of "Blade," there are no other hues. Its stomach-turning special effects, bone-crunching martial arts and cynical humor will more than satisfy any action-film addict's need for a fix of eye-popping escapist adrenalin. (Michael O'Sullivan, WP)

ARTS GUIDE**AUSTRIA**

VIENNA Kunsthistorisches, tel: (1) 71191-5737, open daily. To Nov. 20: "Pat in der Russischen Kunst." The use and symbolism of the color red in Russian art over six centuries, from icons to Expressionism, Avant-Garde and Propaganda art under Stalin.

BRITAIN

LONDON National Gallery, tel: (171) 747-2885, open daily. Continuing! To Oct. 11: "Venice Through Canaletto's Eyes." The splendor of Venice's festivals, regattas and other ceremonies in the paintings and drawings of the 18th-century Italian artist. www.nationalgalerie.org.uk

CHINA

BEIJING Forbidden City, Sept. 5-13: Performances of Puccini's "Turandot." Directed by the Chinese director Zhang Yirou and conducted by Zubin Mehta. The orchestra and chorus of the Maggio Musicale Fiorentino accompany Maria Guleghina, Jane Eaglen and Shahn with alternate in the title role; Lando Bartolini, Sergei Larin and Kristjan Johansson also sing the role of the audacious prince. www.turandot-on-site.com

FINLAND

Helsingin Taidemuseo, tel: (0) 454-20-60, closed Mondays. To Oct. 4: "Christian Bottnski." The French artist (born 1944) seeks to catch daily life's fleeting moments in delicate collages and installations.



"Ictus," by Paul Gauguin, on exhibition at the Fondation Pierre Gianadda in Martigny, Switzerland.

FRANCE

PARIS Hotel de Ville, tel: 01-42-75-51-53, closed Mondays. To Nov. 1: "Constant Permeke: 1886-1952. A Retrospective of 43 Paintings, 16 Drawings and 6 Sculptures," by the Belgian realist. Features marines, still lifes, portraits and, created after 1935, female nudes.

GERMANY

BERLIN Neue Nationalgalerie, tel: (0) 30-265-2850, closed Mondays. Continuing! To Oct. 11: "Lyonel Feininger: From Gelmeroda to Manhattan." Paintings by the artist (1871-1956) who worked in Germany until he was branded a "degenerate" artist by the Nazis.

SPAIN

BARCELONA Museu Nacional d'Art de Catalunya, tel: (34) 3-467-8100, closed Mondays. To Dec. 13: "Antoni Tapies: Paintings, Sculptures and Drawings, 1957-1997." An installation of more than 200 works by the Spanish painter.

ITALY

ROMA Galleria Borghese, tel: (0) 32-81-01, closed Mondays. Continuing! To Sept. 20: "Bernini and the Birth of Baroque." Sculptures by Gian Lorenzo Bernini (1598-1680).

VENICE

Peggy Guggenheim Collection, tel: (41) 520-6228, closed Tuesdays. Continuing! To Sept. 13: "The Later Morandi: Still Lifes, Variations on a Theme," by the Italian painter (1890-1964). Variations in tone, composition and viewpoints of the same subject matter.

JAPAN

KYOTO National Museum of Modern Art, tel: (75) 761-4111, closed Mon-

days. To Sept. 20: "Shikanosuke Oka." A celebration of the centennial of the birth of Shikanosuke Oka. More than 100 paintings, in the Pointillist technique acquired during the artist's stay in France, recreate a serene and dreamy atmosphere.

www.momaek.go.jp

TOKYO Tokyo Metropolitan Art Museum, tel: (3) 3823-6921, closed every third Monday. Continuing! To Oct. 4: "Masterworks From the Carmen Thyssen-Bornemisza Collection." Approximately 100 paintings on loan from the Madrid collection. The works cover European and American painting from the 18th century to the beginning of the 20th century.

SINGAPORE

Singapore Art Museum, tel: 332-3222, closed Mondays. Continuing! To Sept. 13: "The Origins of Modern Art in France, 1880-1939." More than 70 paintings and sculptures by French Impressionists, Postimpressionists, Fauvists and surrealists.

SWEDEN

STOCKHOLM Moderna Museet, tel: (8) 519-5200, closed Mondays. To Nov. 15: "The Desiring Eye." A survey of the development of photography from the 1840s to the 1990s with more than 200 works by Julia Margaret Cameron, Nadar, Roger Fenton, Man Ray, Paul Strand and Ansel Adams.

www.moderna.org.se

SWITZERLAND

MARTIGNY Fondation Pierre Gianadda, tel:

(27) 722-3878, open daily. Continuing! To Nov. 22: "Paul Gauguin, 1848-1903." A retrospective of 120 lesser-known paintings, works on paper and woodcuts by the French painter.

www.momaek.go.jp**UNITED STATES**

DETROIT Detroit Institute of Arts, tel: (313) 833-7800, closed Mondays and Tuesdays. To Oct. 16: "The Invisible Man Visits Angels From the Valencia Painting." Sculptures, tapestries, liturgical vessels and vestments dating back to the 8th century B.C., depicted angels as envisioned by Raphael, Guido Reni, Fra Angelico and Dali.

www.dia.org**AMERICAS**

Sept. 7: "Wilhelm Hammerschmidt, 1864-1916: Danish Painter of Solitude and Light." Guggenheim Museum, New York.

Sept. 8: "Sir Edward Burne-Jones," Metropolitan Museum, New York.

Sept. 7: "Artists and the Avant-Garde Theater in Paris, 1887-1900." National Gallery of Art, Washington.

ASIA

Sept. 7: "The Grand Chinese Cultural Exhibition Encore." Building 83, Seoul.

Sept. 8: "North Asian Biennale." Taipei Fine Arts Museum, Taipei.

Sept. 8: "Chinese Lacquer Paintings." Tokyo National Museum.

EUROPE

Sept. 8: "Antoni Tapies: Paintings, Sculptures and Drawings, 1957-1997." Kunsthalle Krems, Austria.

Sept. 8: "Patrick Heron," Tate Gallery, London.

Sept. 8: "From Durer to Rauschenberg: A Renaissance of Drawing." Deutsche Guggenheim, Berlin.

Sept. 8: "The Influence of Italy on Dutch and Flemish Art of the 17th Century." Ulster Museum, Belfast.

CLOSING SOON**AMERICAS**

Sept. 7: "Wilhelm Hammerschmidt, 1864-1916: Danish Painter of Solitude and Light." Guggenheim Museum, New York.

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The Night 'the Alarms Went Off' in Quiet Fishing Village

The Associated Press

PEGGY'S COVE, Nova Scotia — By all accounts it was a pleasant evening in the fishing village of Peggy's Cove, with a light wind and medium seas, when a plane crashed into the cold water, leaving a field of floating debris, bodies and jet fuel that stretched over six miles.

"I heard a huge crash, like thunder," said Wilfred Morash, a resident of nearby Blandford. "Then all of a sudden in my scanner the alarms went off and they said a plane had gone down in Peggy's Cove."

Within minutes on Wednesday night, fisherman and local boaters were searching for survivors in the debris and making frantic radio calls to the Halifax

Search and Rescue Center, said a navy spokesman, Tracy Simoneau. Rescuers said the air was thick with the smell of jet fuel, she added.

Soon all available boats from this 200-year-old fishing village, where inhabitants are accustomed to making rescues in the North Atlantic, converged on the site.

John Campbell, 34, was one of the first to rush out, calling on some of his crew and heading to sea aboard his 42-foot (13-meter) whale-watching vessel. Smelling the fuel, he ordered his crew not to smoke. Seat cushions, Styrofoam and bodies littered the water in the rocky cove.

Hours later, Mr. Campbell's "So

Much To Sea" vessel still was ferrying rescue and military personnel to a scene that he described over the telephone from his boat as surreal. He could not bring himself to describe it in detail.

Coast Guard helicopters hovered overhead, and a navy refueling ship, the HMCS Preserver, steamed into the bay. Above the helicopters, a Canadian Navy C-130 Hercules circled, searching the sea with advanced rescue equipment and dropping flares that lit the black water in an orange glow.

Life-jackets, luggage, clothing and papers bobbed in the water, which registered 61 degrees Fahrenheit (16 degrees centigrade). Jet fuel shimmered on the surface.

"It's almost a floating city with the number of boats here," a reporter for the Canadian Broadcasting Corp., Rob Gordon, said by phone from a boat. "They are making repeated calls that they are finding bodies and human remains." The largest piece of debris was a shredded life raft, he said.

On shore, firefighters paced the beach near the crash site. Behind them, more than a dozen ambulances lined up to treat possible survivors and take them to hospitals. They waited in vain. A temporary morgue was set up in nearby Sheerwater.

After rain and choppy seas that made the search for survivors difficult overnight, the sun peeked through over-

cast skies Thursday. Firefighters began walking the rocky shoreline at the first hint of daylight, picking up debris washing ashore.

A Red Cross tent was set up on shore, where a few members of the Canadian armed services and numerous journalists also waited, subdued.

Clapboard houses painted in pastels dot the rocky granite landscape of Peggy's Cove, a popular Nova Scotia tourist town where surf pounding against the rocks sends sprays 30 feet into the air.

Clearly, however, fishing sustains many residents — lobsters pots sat in many yards and a black fishing net had been left to dry in the public parking lot.

large pieces of the plane. Shocked relatives and friends gathered at John F. Kennedy International Airport in New York and Colmair International Airport in Geneva.

The pilots, identified as Captain Urs Zimmermann, 50, and First Officer Stephan Loew, 36, had issued a final dramatic distress call, "Panne! Panne! Panne!" — the French and German for "breakdown" — as they struggled to keep the plane aloft, airline officials reported.

"Panne" is a cry issued only in dire circumstances, Christian Stuessi, Swissair's top MD-11 pilot, told the Reuters news agency.

The cause of the crash was not immediately clear. Swissair is considered to have an excellent safety record, as does the MD-11. The pilots were experienced and skies were clear at the time of the crash.

Authorities were reluctant to speculate about the cause, pending recovery of the plane's flight-data recorders.

The possibility of a terrorist attack leaped to many people's minds, following the recent U.S. bombing of suspected terrorist-related sites in Afghanistan and Sudan. But both Canadian and U.S. officials said that the chances of a criminal or terrorist connection appeared to be small.

At the crash site, Chief Superintendent Steve Duncan of the Royal Canadian Mounted Police said, "There is nothing to indicate at this time any possibility or any suggestion of any criminal act."

The crew had alerted air traffic controllers about the smoke not long after takeoff from Kennedy and asked to be cleared for landing at Logan International Airport in Boston.

But as the extent of the plane's problems became clear, controllers in Moncton, New Brunswick, diverted the plane to Halifax, saying that it was closer.

Witnesses and authorities in the Nova Scotia fishing town of Peggy's Cove, about 30 miles from the capital city of Halifax, said that when the plane passed over the area it was making deep groans or sputtering sounds, followed by a loud thud. Residents flooded emergency phone lines to report the sounds.

The plane disappeared from Moncton radar screens while at an altitude of 8,000 to 10,000 feet (2,483 to 3,048 meters), well below its normal flight altitude of 33,000 feet.

Apparently the pilots dumped the plane's fuel and then attempted to ditch the plane near the mouth of St. Margaret Bay. The impact apparently was brutal.

President Bill Clinton, in Ireland for a state visit, expressed his sympathy for the victims and their families. "We hope for the best and we are deeply grieved," he said.

In Washington, Attorney General Janet Reno said she understood that "all initial information indicates that it was an accident." P.J. Crowley, a White House spokesman, said there was no indication that terrorism was involved.

Several U.S. agencies offered assistance. Ten investigators of the National Transportation Safety Board flew to Halifax. Swissair security experts were en route to the crash site, as were officials of Boeing, which last year took over McDonnell Douglas, maker of the MD-11.

The crash occurred in waters 75 to 160 feet deep. John Maxwell of the Canadian Transportation Board told CNN that those depths were "manageable" and that divers were "very hopeful" of finding the plane's flight data recorders.

Cockpit smoke, airline specialists said, might have originated in an engine with an electrical short-circuit or from a fire in the cargo hold. The crash in May 1996 of a Valujet DC-9 into the Florida Everglades, which killed all 110 aboard, was later traced to a fire caused by oxygen-generating canisters in the cargo hold.



Prime Minister Tony Blair waiting for President Bill Clinton on Thursday at the foot of the steps of the Stormont parliament building in Belfast.

In Ulster, Clinton Encourages Peace

President and Blair Tour Omagh, Meeting Survivors of Deadly Bombing

Compiled by Our Staff From Dispatches

OMAGH, Northern Ireland — At the scene of Northern Ireland's worst terrorist attack, where a car bomb killed 28 people last month, President Bill Clinton of the United States offered condolences Thursday to relatives of the victims.

In a crowded gymnasium in Omagh, Mr. Clinton said: "It's high time to stop the lit of laughter and language being drowned out by bombs and guns and stenks."

A few babies cried in counterpoint to Mr. Clinton's soft voice.

He thanked the people of Northern

Ireland "for standing up in the face of such a soul-searing loss, and restating your determination to walk the road of peace."

With his wife, Hillary Rodham Clinton, at his side, Mr. Clinton spoke to about 500 relatives of the victims. Later he talked privately with a 14-year-old girl who was blinded in the bombing and with her mother, a nurse who was on duty at an Omagh hospital that day.

Mr. Clinton arrived in Northern Ireland from Moscow. He met in Belfast with the leaders of Northern Ireland's new government: David Trimble, a Protestant and first minister of the Northern Ireland Assembly, and his deputy, Seamus Mallon, a Catholic.

On the last stop of his daylong visit, thousands of people cheering and waving American flags greeted Mr. Clinton in the cathedral city of Armagh.

"It is you who have told your leaders that you have longed for peace like never before," Mr. Clinton told an estimated 10,000 people in a city center park.

He said Northern Ireland's achievement in trying to end three decades of sectarian bloodshed was a beacon for other areas of conflict from the Middle

East to the Balkans. "When I go now to other trouble spots," he said, "I point to you as proof that peace is not an idle daydream. For your peace is real. It resonates around the world and echoes in the ears of people hungry for an end to strife in their own countries."

In his private meeting with families here in Omagh, Mr. Clinton told the relatives, "What happened here on August the 15th was so incredibly unreasonable, so shocking to the conscience of every decent person in this land that it has perversely had exactly the reverse impact that the people who perpetrated this act intended." His staff gave a transcript to reporters.

Mr. Clinton's national security adviser, Samuel Berger, showed off Thursday's headline in the *Independent*, a London newspaper, announcing that Mr. Trimble, of the Ulster Unionists, had agreed to meet with Gerry Adams, of Sinn Fein, and called it a breakthrough.

At stop after stop here, praise was heaped on Mr. Clinton for the American role in brokering the agreements in April on which Northern Ireland's current peace agreement is based.

"By killing Catholics and Protestants, young and old, men, women and children, even those about to be born, people from Northern Ireland, the Irish Republic and abroad," Mr. Clinton said, "the bombing 'galvanized, strengthened and humanized the impulse to peace.'"

Earlier in the day, Mr. Clinton told an audience of members of the Northern Ireland Assembly and citizens in Belfast that Catholics and Protestants must pull together with "courage and reconcili-

(AP, AFP, Reuters)

Belfast Turns Spotlight on Mrs. Clinton

Compiled by Our Staff From Dispatches

BELFAST — Hillary Rodham Clinton, opening a playground for Northern Ireland's youngest generation, said schoolchildren here and in the United States were learning difficult lessons about dealing with violence.

"In America, we have many children who, like children of Northern Ireland, also have seen friends and relatives gunned down because of gang wars or drug problems," Mrs. Clinton said, speaking to Protestant and Roman Catholic pupils seated in the grassy field. "So, they, too, need to learn from what has been done here in Northern Ireland in dealing with the problems of violence."

The Reverend Michael Keaveny, a priest in the town who buried two of the victims, said he felt that in a horrible way the Omagh bomb could end up being a "catalyst for peace." He said, "I have a feeling this was the end of the violence and the beginning of a new era."

Mrs. Clinton and Cherie Blair, wife of Prime Minister Tony Blair, embraced each other amid the crowd of children from a Catholic elementary school and from a state school whose students are predominantly Protestant.

Since arriving Wednesday ahead of her husband, Mrs. Clinton has not commented on personal strains caused by the Monica Lewinsky scandal, a fact noted in a front-page headline of a newspaper President Bill Clinton was handed at the airport Thursday when he arrived. "Hillary avoids state of Clinton union," the *Independent* said.

Mrs. Clinton and Mrs. Blair later sat in the front row of Belfast's Waterfront Hall as their husbands addressed a gathering that included Northern Ireland's new cross-community Assembly and senior politicians from all sides. Mr. Clinton was warmly praised by Mr. Blair and other leaders for his support of the Northern Irish peace process.

In a keynote speech, Mr. Clinton mentioned his wife's name several times and referred to her appearance as star speaker at a women's conference on Wednesday.

"I salute the women, who have been such a powerful force for peace," he said. "Hillary had a wonderful day yesterday at the conference."

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Mrs. Clinton has been increasingly out of the public eye as the pressure grows on the president over his confession on Aug. 17 to an affair with the former White House intern.

But this week's trip to Moscow and to Northern Ireland has provided an opportunity for the couple, who have been booted up at a holiday home in Martha's Vineyard, Massachusetts, to return to the public scene, while escaping domestic politics.

(AP, AFP)

ULSTER: As Clinton Arrives in Belfast, a 'New Era' of Peace Seems to Be Taking Shape

Continued from Page 1

ing them together since Mr. Mallon is a Catholic and Mr. Trimble a Protestant.

The tone of public life here that had long been characterized by a no-compromise, no-surrender attitude began to change with the signing of the accord in April and the campaign for public approval of its terms in a May referendum and for the June election of members of the Assembly that the pact created.

But the incident that has animated the halting process was one that was aimed at stalling the bombing by Catholic renegade guerrillas in the town of Omagh on Aug. 15 that killed 28 people and wounded more than 200 others.

The Reverend Michael Keaveny, a priest in the town who buried two of the victims, said he felt that in a horrible way the Omagh bomb could end up being a "catalyst for peace." He said, "I have a feeling this was the end of the violence and the beginning of a new era."

Mr. Clinton and Mrs. Blair, wife of Prime Minister Tony Blair, embraced each other amid the crowd of children from a Catholic elementary school and from a state school whose students are predominantly Protestant.

Since arriving Wednesday ahead of her husband, Mrs. Clinton has not commented on personal strains caused by the Monica Lewinsky scandal, a fact noted in a front-page headline of a newspaper President Bill Clinton was handed at the airport Thursday when he arrived. "Hillary avoids state of Clinton union," the *Independent* said.

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(AP, AFP)

Without a confirmed prime minister and a cabinet in place, Russia is even harder-put to try to curtail a financial crisis worse than anything it has faced since the collapse of the Soviet Union in 1991. Mr. Chernomyrdin urged journalists, and the Central Bank, to "stop spreading panic and agitating people."

But in the 11 days since Mr. Yeltsin suddenly replaced Sergei Kiriyenko with Mr. Chernomyrdin in the prime minister's office, he has yet to come up with a clear plan to combat the country's fast-deteriorating economy. One Kremlin official said Mr. Chernomyrdin was spending all of his time simply trying to con-

vince the Duma to confirm him. The threat that the banks will collapse has increased in recent days, and lines of depositors are now part of Moscow's daily street scene. Russians keep almost as much money at home as they do in bank accounts. Still, it is estimated that individual deposits amount to \$27 billion.

About 80 percent of that is in the state-owned Sberbank. There, depositors were still able to withdraw funds Thursday, though in limited amounts. Bank officials said clients could withdraw dollars after a delay of only one day, compared with a four-day wait last week.

Commercial bank officials com-

plained loudly about the government's offer to transfer individual accounts to Sberbank. Alexander Polyakov, first president of Most-Bank, called the Central Bank's steps "a mini-revolution" that will increase, not ease, the panic. Viktor Bakut, chairman of Mosbusinessbank, said the procedures "smack of expropriation."

Sergei Alekashenko, first deputy chairman of the Central Bank, said the government had to act because "people have lost confidence in the banks."

"People, influenced by the political situation, or by the bad weather, are saying, 'That's it, we want our money now,'" he said. "No bank can withstand that kind of pressure."

And Gennadi Seleznyov, the Duma's Communist speaker, who had earlier pronounced the nomination doomed, said the Duma wanted to hear the opinion of the upper house of Parliament, traditionally far more supportive of the Kremlin.

Continued from Page 1

and demand new elections.

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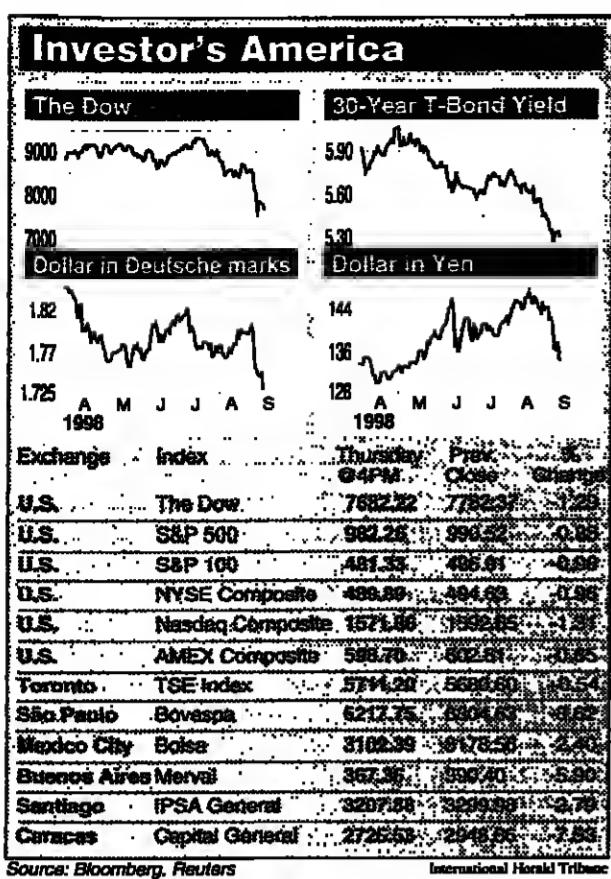
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THE AMERICAS



Fears of World Slowdown Take Toll on Wall Street

Very briefly:

- Metro-Goldwyn-Mayer Inc. laid off 80 employees, and warned that more job cuts could be on the way. The movie studio's majority shareholder, Kirk Kerkorian, has pledged to increase his investment MGM by as much as \$500 million by backing an offering that will allow existing shareholders to buy additional stock at a discount.
- Campbell Soup Co.'s fourth-quarter profit fell 5.2 percent, to \$182 million, as sales dropped 4.4 percent, to \$1.3 billion. The company said that it excluded one-time charges and loss of revenue from operations sold during 1998, if it would have had a double-digit earnings increase.
- Diebold Inc. has bought a 50 percent interest in DPB SA, a transaction delivery systems manufacturer based in Buenos Aires. Financial terms were not disclosed.
- Robotics Vision Systems Inc. is cutting 140 jobs, or 16 percent of its work force, amid weak demand from the semiconductor industry. The company, which makes automated vision systems for inspection and measurement, cut 150 jobs in June.
- The Chicago Board of Trade is scuttling a deal that would have merged its back-office operations with those of the Chicago Mercantile Exchange.

AP, Reuters

The Trib Index						
	Jan. 1, 1992 = 100	Level	Change	% change	year to date	% change
World Index	171.50	-1.71	-0.99	-0.35		
Regional Indexes						
Asia/Pacific	73.29	+1.03	+1.43	+23.71		
Europe	208.70	-3.21	-1.51	+8.11		
N. America	226.74	-1.46	-0.64	+4.98		
S. America	81.27	-5.63	-6.48	-46.77		
Industrial Indexes						
Capital goods	228.82	-2.92	-1.26	+10.77		
Consumer goods	215.24	+0.69	+0.32	+2.63		
Energy	175.71	+0.18	+0.10	+9.87		
Finance	116.57	-3.46	-2.88	-5.20		
Miscellaneous	129.54	-0.77	-0.59	-13.57		
Raw Materials	158.08	-2.64	-1.64	+5.48		
Service	186.48	-2.06	-1.09	+6.88		
Utilities	151.34	-0.62	-0.41	+9.31		

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries.
Compiled by Bloomberg News

RISK: Canada and Latin America Ail

Continued from Page 13

for basic raw materials plummeted even as supplies were still on an upward growth curve.

The result has been a steep drop in world prices: 14 percent for gold, 26 percent for copper, 33 percent for oil, 41 percent for top-grade construction timber, 56 percent for wheat.

To varying degrees, all the major countries of Latin America rely on commodity exports: Venezuela and Mexico on oil, Chile on minerals, Argentina on wheat. But the fall in commodity prices has also delivered a triple-whammy to Canada, whose commodities account for 40 percent of all its exports.

The most direct impact of the commodity price decline has been a quick 10 percent drop over the summer in the value of the Canadian dollar, known affectionately as "the

loonie," after the bird that graces one side of the copper coin.

Meanwhile, prices have fallen 30 percent on the Toronto stock exchange, where the major stock indexes are dominated by large oil, timber and mining companies whose profits were squeezed by falling commodity prices.

As in other countries, the stock slide was accelerated by the fall in the loonie as some investors, Canadian and foreign, moved their money out of Canadian stocks and into American stocks and bonds.

The third blow came last week when, in an effort to bolster the loonie and restore the confidence of international investors, the Bank of Canada raised interest rates a full percentage point. Within days, most forecasters had lowered their estimates of economic growth for the United States' largest trading partner from 3 percent to 2 percent.

"a conscious policy of avoiding overdependence on any one company." That has led the government to award several recent drilling contracts to other U.S. energy giants.

The uncertainties of international politics have also lent a hand. For European energy companies such as Repsol, energy-rich countries such as Algeria and Nigeria may be closer, but because of their political turmoil and corruption, Trinidad is a more attractive place to invest.

There are massive reserves of natural gas, seven times larger than Trinidad's, in nearby Venezuela. But the leading candidate in the presidential election there later this year, Hugo Chavez, has threatened to review contracts with foreign oil companies, leading to suggestions by many executives that Trinidad would be the best place to process not just local gas reserves, but also those of Venezuela.

The high regard in which Trinidad is held by foreign investors contrasts sharply with the image it had two decades ago, when the local oil boom was at its peak and profligate spending was the order of the day. This time around, chastened government officials say they are determined to maintain fiscal discipline and funnel the country's riches into much-needed infrastructure projects.

Consumer companies, which rely on foreign markets for their profits, also fell. Coca-Cola declined 2.3/16 to 62 1/16, Procter & Gamble lost 1 15/16 to 76 1/16 and General Electric dropped 2 9/16 to 77 1/16.

Analysts are lowering their forecasts for profit growth this year

chasing Management's index of non-manufacturing business activity — which mostly covers services

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Growth in American workers' productivity also slowed in the second quarter, the Labor Department said. Productivity of nonfarm, nonsupervisory workers rose at a 0.1 percent annual rate, the smallest gain in nearly two years.

Economic reports released Friday contained signs that the U.S. economy was starting to feel the pinch of a world economic slowdown. The National Association of Par-

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EUROPE

European Bourses Follow the Ruble Lower Russian Banks And Brokers Dismiss Staff

By Our Staff From Despatches

ION — Bourses sank across Europe as a plunge in oil prices renewed concerns that will slow around the ruble after Russia allowed currency trading to resume for the first time in a week unversed investors. The ruble fell 14 percent against the dollar Thursday and is down 52 percent since it was devalued two weeks ago.

"There's the risk of a domino effect," said Michel Gritt, an equity manager at CDC Asset Management Europe in Paris. "If currency devaluations spread to Latin America, then that could affect growth" in Europe and the United States.

Adding to the gloom, J.P. Morgan lowered its targets for several lead-

Jones industrial average has been extremely volatile since dropping 512 points on Monday.

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ing European stock indexes, the first investment bank in London to publicly reassess its market projections amid the global market turmoil.

Warning that Western stocks could extend recent heavy losses as world economies stall, the Morgan investment strategist Gary Dugan said the unfolding crises in developing markets promised further bad news.

Looking to the end of 1999, Mr. Dugan shaved his targets for blue-chip indexes in Britain by 11 percent, in Germany by 14 percent, and in France by 16 percent, though his new targets remain several hundred points above current index levels.

"In our opinion there is still fur-

ther downside risk to the European equity markets," Mr. Dugan said, noting that the contagion effects of the crises in Russia and Asia were squeezing growth worldwide.

The DAX stock index in Germany fell 3.06 percent Thursday, with London's Financial Times-Stock Exchange 100 index losing 2.24 percent and France's CAC-40 dropping 2.23 percent.

UBS, the world's second-biggest bank, fell 3.95 Swiss francs to 4,500. Credit Suisse Group, which said last week its investment bank had lost \$254 million in the past two months, largely from its Russian investments, also led declines.

(Reuters, Bloomberg)

Russian Banks And Brokers Dismiss Staff

Bloomberg News

MOSCOW — Banks and brokers in Russia are dismissing staff to cut costs and pare their losses as Russia's financial crisis paralyzes the equity and bond markets.

MFK Renaissance, a Moscow-based investment bank, said Thursday that it had dismissed at least 50 of its 700 employees and planned to lay off more staff. The bank said it would announce the size of staff cuts next week.

"There will be cuts in every department," said Marina Schmidt, a spokeswoman for MFK Renaissance. "To survive in such a political and economic collapse you have to take radical steps."

The bond market was at a standstill after the government restructured its domestic debt and suspended bond trading. Equity trading was reduced to a trickle as investors fled the market on concern over a weakening ruble and political instability.

"If you look at the financial sector it seems on the brokerage side you'll have 20 percent to 40 percent cuts in staff," said Margaret Jacobs, banking analyst at United Financial Group. "It's seems inevitable that if the revenue base has fallen your costs have to drop."

Brunswick Warburg, a joint brokerage venture between SBS Warburg Dillon Reed and the Moscow firm Brunswick, laid off about 80 staff last month, about one-third of its work force.

"It's something that everyone has to do," said Dan Rapoport, director of sales and trading at Centrelavest Securities in Moscow. "You can't make money if your turnover is only \$1 million a day. If you want to stay alive to make money later, you have to downsize."

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
6100	6250	4400
5800	6000	4200
5500	5750	4000
5200	5500	3800
4900	5250	3600
4600	5000	3400
A M J J A S 1998	A M J J A S 1998	A M J J A S 1998
Exchange	Index	Thursday Close
		Prev. %
		Close Change
Amsterdam AEX		1,069.83 1,100.26 -2.77
Brussels BEL-20		3,225.58 3,254.68 -0.89
Frankfurt DAX		4,812.18 4,970.50 -3.19
Copenhagen Stock Market		645.80 654.36 -1.31
Helsinki HEX General		4,221.54 4,326.23 -2.46
Oslo OBX		489.18 510.23 -4.13
London FTSE 100		5,118.70 5,235.80 -2.24
Madrid Stock Exchange		742.11 755.52 -1.77
Milan MISTEL		20412 21061 -3.08
Paris CAC 40		3,645.46 3,729.67 -2.23
Stockholm SX 16		3,450.51 3,564.24 -3.19
Vienna ATX		1,124.76 1,151.47 -3.16
Zurich SPI		4,174.77 4,308.42 -3.10

Source: Telerors

International Herald Tribune

Consumers Spur French Growth

By Our Staff From Despatches

The French economy grew 1.1 percent in the second quarter, the government said Thursday, consumer spending put second-largest economy or its fastest annual growth 1989.

Accelerated from a 0.6 in the first quarter and 3.0 percent annual pace, to INSEE, the national office. Both quarterly and increases in growth were in expectations.

means that France will minimum gross domestic product of 2.3 percent for the even if there is no growth half of the year. The government is forecasting rate of 3.3 percent on Sept. 17.

Separately, the Economics Ministry said new orders for Germany's manufacturing industry rose 0.5 percent in July as domestic demand in exports — which are showing signs of slowing down as Asian countries cut their overseas pur-

chases — as the motor of growth. That is the case throughout Europe, economists said. (Bloomberg, AFP)

■ German Rates Unchanged

The Bundesbank left its interest rates unchanged after its council met Thursday, postponing a decision on whether to raise borrowing costs until market turmoil in Asia and Russia has cooled down, Bloomberg News reported from Frankfurt.

The German central bank left its floor discount rate at 2.50 percent and its Lombard rate at 4.50 percent. Both rates have been untouched since April 1996. The bank also set its benchmark securities repurchase rate at 3.30 percent until the council reconvenes on Sept. 17.

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BMW Heirs Will Not Sell

Bloomberg News

BAD HOMBURG, Germany — Bayerische Motoren Werke AG's largest shareholder, the Quandt family, said Thursday it did not plan to sell its holding, rejecting Volkswagen AG's reported interest in a 25 percent stake.

"All conjecture that the Quandt family may change its stake in BMW that it has held for more than about 40 years is false," Guenther Quandt Hans said on behalf of the three main shareholders, Johanna Quandt, Susanne Quandt and Stefan Quandt, who own about 48 percent of BMW.

The statement comes after the Sueddeutsche Zeitung reported VW's chief executive, Ferdinand Piech, saying he was interested in buying a 25 percent stake in the automaker. The newspaper said the comment was aimed at generating interest from the Quandt family.

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Korea Giants to Merge Units

By Don Kirk
International Herald Tribune

SEOUL — Troubled South Korean conglomerates, or *chaebol*, announced a series of divisional mergers Thursday, but analysts said they fell far short of the government's goal of ridding industries of unprofitable entities.

Potentially the most significant deal called for Hyundai Electronics & Industries Co., the country's third-largest semiconductor manufacturer, to merge its semiconductor unit with LG Semicon Co., ranked second after Samsung Electronics.

Executives at the Hyundai and LG parent companies, South Korea's largest and fourth-largest *chaebol*, said the merged operation would equal or surpass Samsung as the global leader in semiconductor production, capable of producing more than 300,000 dynamic random-access memory chips a month.

The future of the deal was cast in doubt, however, when executives of both parent companies said they had not yet agreed on terms for exchange of equity. Hyundai was believed to want to assume basic control, which LG was reluctant to relinquish.

The companies, with debt-to-equity ratios of about 5 to 1, employ about 15,000 people in their semiconductor plants — 8,000 at Hyundai and 7,000 at LG — although LG has a larger capacity.

"The thing that still needs to be addressed is, will Korea shed production capacity?" said Hank Morris, an economic consultant here. "I don't believe the objective is to achieve capacity."

Sohn Byung Doo, deputy chairman of the Federation of Korean Industries, predicted that

the series of mergers announced Thursday would result in combined savings of \$15 billion over five years. Federation officials said more entities were expected to negotiate mergers.

Jwa Sung Hee, president of the Korea Economic Research Institute, disputed such predictions.

"I don't have high expectations in terms of efficiency or economic gains," he said. "The private sector has come up with this plan only to comply with the government's intentions. I am pessimistic about the prospects."

The news media were also skeptical.

"Instead of swapping businesses altogether, the best they came up with was the establishment of consortiums and mergers among competitors," a commentary carried by the Yonhap news agency said.

Hyundai figured in the shuffling more than any other *chaebol*. Hyundai Oil Co. picked up Hanwha Energy Co., a small oil company, after Hanwha failed to find a foreign buyer. The Hanwha Group, before the merger, was on the brink of bankruptcy.

Among other highlights of the mergers were the following:

- Hyundai, Samsung and Daewoo agreed to merge their aircraft parts-making units.
- Hyundai Petrochemical Co. and Samsung General Chemical Co., with refineries in the same complex, agreed to form a consortium.

- Hyundai Precision & Industries Co., Daewoo Heavy Industries and Hanjin Heavy Industries said they would form a separate unit to combine production of railroad cars. Daewoo Heavy Industries is a core company of the Daewoo Group, the third-largest *chaebol*, while

Airbus to Drop China Venture

Agence France-Presse

PARIS — Airbus Industrie and Aviation Industries of China have abandoned plans to jointly develop a 100-seater aircraft, the European aviation consortium said Thursday.

After a feasibility study of the project, in which Singapore Technologies Aerospace Ltd. and Alenia SpA of Italy were also involved, the four partners "have jointly concluded that no solid common basis was found for further developing this new aircraft," Airbus said.

But Airbus and the Chinese company would continue their cooperation "by discussing a new project," Airbus said.

An Airbus spokesman said that Airbus and Aviation Industries decided that "a brand-new 100-seat aircraft doesn't look feasible."

But the two have a "good working relationship which we want to pursue," and "are going to widen the focus of their discussions and look at other options," he said.

The new 100-seat aircraft would have involved about \$2 billion in investment, aeronautics experts said, and was designed to compete with Boeing Co.'s new B717-200.

Hanjin Heavy Industries is part of the Hanjin Group, the sixth-largest *chaebol*.

• Korea Heavy Industries, a state-run conglomerate, will acquire a unit of Hyundai Heavy Industries that makes power generators and a division of Samsung Heavy Industries that makes ship engines and boilers.

Hong Kong Shifts the Rules

By Philip Segal
International Herald Tribune

HONG KONG — The Hong Kong Monetary Authority, fresh from a record \$12.5 billion buying spree aimed at supporting stock prices here, declared itself exempt Thursday from rules requiring disclosure of major ownership in local companies.

Based on the record stock market volume last Friday, brokers estimate that the monetary authority may have breached the 10 percent level in some of Hong Kong's most important companies. This week, the monetary authority confirmed that it owned almost 9 percent of the banking group HSBC Holdings Ltd., Hong Kong's largest stock. Analysts said the government made this disclosure because HSBC also is traded in London and authorities there would grant no exemption on disclosure.

A monetary authority spokesman told the South China Morning Post that disclosing share ownership might impair the authority's ability to deal with against currency speculators, who have used profits made by borrowing stocks and selling them to attack the Hong Kong dollar.

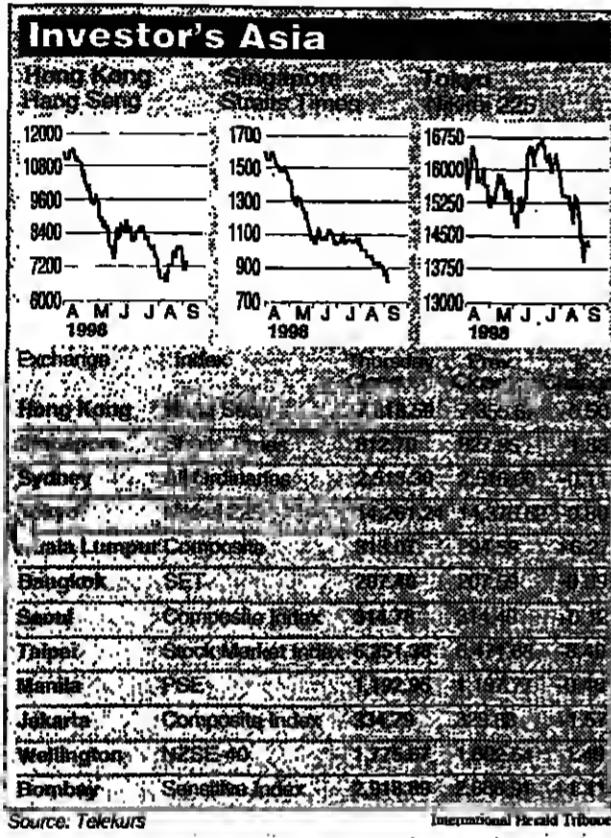
Some analysts said it was contradictory for a government to intervene and say it was doing so to protect the integrity of a free market.

"Now the situation is where 50 percent of deposits in your currency are controlled by a bank you own," Eugene Galbraith, a managing director at ABN-AMRO Asia Ltd., said.

"You're a laissez-faire government, but you want the government to play ball."

He called the monetary authority's self-exemption "an ominous first response," adding:

"I don't know of any market where the executive branch per se has gotten so involved."



Very briefly:

• Matsushita Battery Industrial Co. has developed the world's thinnest lithium battery — 0.5 millimeter (less than .02 of an inch) — which is designed for use in electronic wallets, remote controls, memory cards, integrated-circuit cards and other devices.

• Daewoo Motors (India) Ltd., which is 92 percent owned by Daewoo Corp. of Korea, unveiled two new models of 19-passenger buses even as a drop in demand is forcing other commercial vehicle makers to slash production.

Japan's oonhank lenders' debts at financial institutions fell 3.5 percent in the year ended March 31, indicating that banks are having difficulty removing bad and risky loans from their books, the think tank Teikoku Databank said.

• China's economic growth target of 8 percent for 1998 "will be achieved" in spite of floods and the Asian financial crisis, said Qiu Xiaohua, a spokesman for the State Statistics Bureau. He said the floods would cause a boom in construction as devastated towns rebuild.

Reuters, Bloomberg, AFP



There are more important things in life. Like living.

FIREWALLS: Now Undone

Continued from Page 1

speculation that he may soon be arrested for sedition.

A senior Clinton administration official called the turn of events in Malaysia — a country where firms like Intel, Motorola and Matsushita have built huge factories — "a tragedy."

Others said it was the inevitable clash between the power of government and the power of markets, and they predicted that Mr. Mahathir's effort to isolate Malaysia from world financial markets would be a spectacular failure.

Mr. Mahathir has always ranked among the most vocal critics of what he views as Western efforts to dominate Asia, and in brighter times he was a leading advocate of promoting "Asian values." But the Asian values debate was largely about cultural and legal issues. The current argument, while couched in terms of IMF plans and currency conversions, is an offshoot of that debate. In Russia, Malaysia and Japan, the United States is insisting on reforms that would essentially give power to investors to move their money across borders at will instead of to governments.

In Indonesia, the firewall was built of straw and was immediately ignited. Now, with a government barely hanging on, rioters targeting the Chinese minority, which brought much foreign investment into the country, and the army reeling, the IMF's program is at a virtual standstill.

And this week Malaysia became the first country to reject the IMF's advice — and Mr. Rubin's — in explicit terms, deciding to turn its back on the free market and virtually halt currency trading.

Investors have been told that the country's currency cannot be traded outside the country — all of it must be returned to Malaysia by Oct. 1 or it will be worthless.

On Wednesday, Prime Minister Mahathir Mohamad of Malaysia dismissed his presumed successor, Finance Minister Anwar Ibrahim, who has been an advocate of free-market strategies and a champion of financial modernization in Asia. Mr. Anwar's house has been cordoned off by the police, and there is

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NASDAQ

Thursday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press

NYSE

Thursday's 4 P.M. Close
(Continued)

INTERNATIONAL
Herald Tribune
SPORTS

FRIDAY, SEPTEMBER 4, 1998

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WORLD ROUNDUP

Jerry West to Stay With the Lakers

BASKETBALL Jerry West, who had pondered quitting as Los Angeles Lakers executive vice president, is staying on and getting a four-year contract extension.

Press reports said West had agreed to the renewal at \$3.5 million a year. (AP)

Is Belle a Free Agent?

BASEBALL Albert Belle, the Chicago White Sox outfielder, might unexpectedly become eligible for free agency, thanks to \$7.5 million in secret payments made to Gary Sheffield by the Florida Marlins and the Los Angeles Dodgers.

Under a special covenant in Belle's \$55 million, five-year contract, special provisions kick in if his contract is not among the top three by average value.

With the addendum to Sheffield's contract, Belle falls to a tie for fourth with Sammy Sosa at \$10 million. (AP)

Rice Gets \$36 Million Deal

FOOTBALL Jerry Rice signed a six-year, \$36 million contract with the San Francisco 49ers on Wednesday in a restructuring that made him the league's highest-paid receiver.

(AP)

Tyson Denies Charge

BOXING A man who says he was kicked in the groin by Mike Tyson following a traffic accident filed an assault charge against the former heavyweight champion.

Richard Hardick says Tyson kicked him after his car rear-ended a Mercedes driven by Tyson's wife, Monica, on Monday. Tyson denied kicking Hardick. Monica Tyson backed up her husband's story. (AP)

Vietnam Gains Cup Final

SOCER Vietnam beat defending champion Thailand, 3-0, Thursday night to earn a spot in the Tiger Cup final against Singapore, a 2-1 winner over Indonesia.

Indonesia and Thailand will meet in the consolation game. They played in a bizarre game Monday, when both tried to lose because they did not want to face host Vietnam. (Reuters)

The Crocodile Incentive

SWIMMING A coach in Darwin, Australia, planned to spike up his training sessions by putting a 10-foot (3-meter) crocodile in the pool.

Mark Davies' plan was foiled when the reptile park that was to supply the crocodile backed down. Davies said he planned to drag the crocodile and wire its jaws shut before putting it in the pool with his swimmers aged seven to 20.

"I had told them that to help them swim faster they should imagine that a (10-foot) crocodile was chasing them, so I thought, because our sponsor is Crocodylus Park, we might be able to actually get a real crocodile," Davies said. (AP)

Hingis Beats Majoli in Straight Sets

Venus Williams Also Triumphs as Attention Focuses on Wardrobe

Compiled by Our Staff From Dispatches

NEW YORK — Martina Hingis, the world No. 1, beat Iva Majoli of Croatia, 7-6 (7-4), 6-0, on Thursday in a second-round match held over from the previous night. The reigning champion took 65 minutes to advance.

Hingis beat Majoli in straight sets for the fourth straight time since the Croatian won her only Grand Slam title in Paris 15 months ago. After having trouble with her serve in the first set, Hingis pulled it together in the second set, holding Majoli to 12 points.

Venus Williams, the losing finalist in 1997, beat Ann Kremer of Luxembourg, 6-1, 6-3.

Arantxa Sanchez Vicario, the French Open champion and 1994 U.S. Open winner, needed one more game and 12 more minutes to outrun Fabiola Zuluaga, the 129th-ranked Colombian, 6-3, 6-2.

Amanda Coetzer of South Africa, the 13th seed, a pint-sized power-hitter, beat both Williams and Sanchez Vicario back to the locker-room after a 55-minute, 6-0, 6-2, rout of another qualifier, Raduca Sandu of Romania, fiancée of the French Open champion Carlos Moya.

Williams, 18, playing in only her second U.S. Open, began by showing off a rapidly developing serve-and-volley

game. With her quickness, long legs and reach, Williams played a maturing net game that included a deft touch on drop volleys. It also did not hurt to start the points with her huge serve, the fastest of which was timed at 117 miles per hour (183 kilometers per hour).

Williams stormed through the first set in 22 minutes with the loss of just 10

U.S. OPEN TENNIS

points and only two on her serve. The second set was a bit more competitive, before the 18-year-old American decided to end it by running off the final three games.

"She played better as the match went on," Williams said. "We had better rallies, and I appreciate that very much."

Williams broke out the second of her seven new outfits — a provocative skin tight, lime-green sleeveless dress with a cutout across the middle of her back — but carrying a small black logo promoting the WTA Tour and its chief sponsor, the software company Corel.

The patch, about 2 inches square, was on the left shoulder strap of Williams' lime-green tennis dress.

The tour fined Williams \$100 after she won her first-round match without the logo, and said that the fines would

increase to \$25,000 if she did not wear the patch.

Reebok, Williams' uniform and sneaker supplier, said the patch violated its contract with Williams, which bans logos other than its own.

The only exception is for players under contract to Nike, which has a no-patch policy for its athletes that predates the WTA rule and was given a special exemption, the association said.

Williams said she "generally" wore the patch. Asked why she had deviated in the first round, she said, "Deviation is common among humans."

In the men's singles, Carol Kucera, the No. 9 seed from Slovakia beat Jerome Golmard of France, 7-5, 6-3, 6-0.

The men's runner-up last year, the sixth-seeded Greg Rusedski of Britain, saved a match point as he outlasted Bohdan Ulrich, 4-6, 6-3, 4-6, 6-2, 7-5.

The Open was running behind after torrential rain whipped by high winds canceled the evening session Wednesday, postponing matches featuring Hingis and Pete Sampras.

The rain may have saved Alex Corretja of Spain, seeded No. 7. He was trailing to Gianluca Pozzi of Italy when their match was halted. Pozzi, 33, the oldest man in the field, was leading 6-2, 3-6, 5-2, 30-30. (AP, AFP, NYT)



Arantxa Sanchez-Vicario returning a backhand shot to Fabiola Zuluaga.

McGwire at 59 Homers and Counting, With Sosa at 56

Only Ruth and Maris Ahead Now

By Ross Newhan
Los Angeles Times Service

went to La Russa, who announced that he was calling a meeting and closing the clubhouse. It was generally assumed that the club closure was designed to give McGwire some space.

But McGwire was again loose and relaxed in the postgame news conference, repeating that he wished all players could experience what he is experiencing and that he continues to have fun with it.

It was no fun for two Florida pitchers, Brian Edmondson and Ron Stanifer, on Wednesday night.

McGwire golfd a sinking slider from Edmondson into the upper deck in left field in the seventh inning, a 497-foot (151-meter) shot that neither pitcher nor hitter could quite believe, considering that the pitch was about 3 inches (8 centimeters) off the ground when McGwire hit it. His 458-foot drive to left-center off Stanifer in the eighth also came on a slider, but one that was up and in his zone.

"That one I should have hit the way I did," McGwire said, "but I kind of went to La Russa, who announced that he was calling a meeting and closing the clubhouse. It was generally assumed that the club closure was designed to give McGwire some space."

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"That one I should have hit the way I did," McGwire said, "but I kind of

amazed myself that I was able to golf that first one out. The next time I came to the plate, their catcher said, "How the heck did you hit that pitch?" I said, "I have no idea."

McGwire's swatting his 58th homer.

traveled far enough to make it into the first row of bleachers in Chicago.

The home run equaled Hack Wilson's team record of 56 set in 1930.

Astros 4, Braves 2 Randy Johnson

won his first matchup with Greg Maddux as Houston hit three home runs in

Atlanta. Johnson (6-1) struck out 10 and gave up only four hits in eight innings.

He fanned 10 or more for the 99th time, second in history to Nolan Ryan's 215.

Mets 4, Padres 1 Mike Piazza finished

up a big West Coast trip with another home run in New York's victory in San Diego. Piazza homered for the second straight night. In the nine-game trip, he hit five homers and drove in 12 runs.

Giants 12, Expos 3 Barry Bonds and Jeff Kent delivered the big hits as San Francisco beat visiting Montreal. Bonds went 3-for-3, including his fourth

home run in four games.

Diamondbacks 2, Pirates 1 Tony

Batista hit a tying home run in the ninth

inning, then tripled and scored in the

11th in Pittsburgh as expansion Arizona won its team-record fifth in a row.

Brewers 8, Rockies 4 Jeff Crillo,

David Nilsson and John Burnitz hit

two-run homers as Milwaukee beat vis

Cubs' Slugger Ties Wilson Record

Compiled by Our Staff From Dispatches

itning Colorado.

Dodgers 6, Phillies 4 Carlos Perez pitched a two-hitter to win for the first time since he was traded to Los Angeles on July 31 as the Dodgers beat visiting Philadelphia.

The Way I Hit It, it was a line drive, Sosa said after a 4-2 victory over the Cincinnati Reds Wednesday afternoon. "I thought it was a double."

But when things are going well — and they certainly are for the Chicago Cubs' right-fielder — that line drive

BASEBALL ROUNDUP

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Diamondbacks 2, Pirates

SPORTS

How the NFL Teams Shape Up for the New Season

After Training, Trading and Drafting, Sunday Brings First Test for 29 Franchises Chasing Champion Denver

Washington Post Service

NFC CENTRAL

Chicago Bears

1997: 4-12.

In this offseason, the Bears released two former first-round draft picks—DE Alonso Spelman and RB Rashawn Salaam—and did not re-sign six other players who opened 1997 as starters. Rookie RB Curtis Enis finally signed after missing almost one month of training camp, but signing veteran RB Ban Morris (774 yards rushing) means he will not have to be rushed. An entire season from WR Curtis Conway (average of 58 receptions, 7 TDs in past three seasons) would be welcome.

Detroit Lions

1997: 9-7. (lost to Bucs in wild-card game).

The pressure is on QB Scott Mitchell. He is 27-3 as a starter for the Lions, including 0-2 in the playoffs. But he still has RB Barry Sanders (2,053 yards rushing, the second-best single-season total in NFL history) and WRs Herman Moore (104 receptions for 1,293 yards) and Johnnie Morton (80 for 1,057). Sanders needs 222 yards to reach 14,000 for his career, and Moore and Morton will get a new running mate, NR Germane Crowell. The defense will have at least three new starters after ranking 14th in the NFL last season.

Green Bay Packers

1997: 13-3. (lost to Broncos in Super Bowl).

It is doubtful that rival NFL coaches missed the Broncos running for 179 yards against the Packers in the Super Bowl. The Packers traded their 1998 second-round draft choice to draft the 6-foot-5, 296-pound DE Vonnie Holliday, whom they hope can help solidify the line. However, Green Bay's offense could be good enough to overshadow any defensive shortcomings.

Minnesota Vikings

1997: 9-7. (lost to 49ers in playoffs).

The Vikings moved John Randle (13.5 sacks) from tackle to end toward the end of last season, and they went on a three-game winning streak. Randle could play both positions this season. DE Staln Colinet's improvement made Smith (13.5 sacks combined over the past two seasons) expendable. The gamble on rookie WR Randy Moss looks for now like it has paid off. And he joins a receiving corps that already includes Cris Carter and Jake Reed, who each had 1,000-yard receiving seasons in 1997. The health of QB Brad Johnson is vital. He injured his neck last season and apparently has not regained all the strength in his throwing hand.

Tampa Bay Buccaneers

1997: 10-6. (lost to Pack in playoffs).

The doubts surrounding coach Tony Dungy during a 1-8 start in 1996—his rookie season—have vanished. Since then, the Buccaneers have won 16 of 25, including their first playoff victory since 1979. The defense, ranked third in the NFL last season, had a front four that combined for 36.5 sacks.

But the Buccaneers' offense was 29th in the league and its passing was 30th, despite a club-record 21 touchdown passes from QB Trent Dilfer and nearly 1,000 yards rushing from rookie of the year Warrick Dunn. The Bucs still need to find a way to beat Green Bay; they lost three games to the Packers last season without giving up more than 21 points.

NFC WEST

Atlanta Falcons

1997: 7-9.

Last season RB Jamal Anderson

rushed for 1,002 yards, QB Chris Chandler was the NFC's second-rated passer (202 of 343 for 2,692 yards passing, 20 TDs, 7 INTs), and the team won six of its final eight games. To all, the Falcons were 7-3 with Chandler, 0-6 when he missed part or all of a game because of injuries. Atlanta's defense was second in the NFL with 55 sacks last season—12 by DE Chuck Smith, 10.5 by DT Travis Hall.

Carolina Panthers

1997: 7-9.

The defense will start at least five players who were not on the team last season. The biggest is DT Sean Gilbert, whose seven-year, \$46.5 million contract was the highest ever signed by a defensive player. Former Steelers all-pro LBs Kevin Greene (10.5 sacks) and Greg Lloyd are retained. QB Kerry Collins must improve over last season, when he totaled 2,124 yards passing, 11 TDs and 21 interceptions.

New Orleans Saints

1997: 6-10.

Coach Mike Ditka pledged to be calmer this season, but he has not started well. He got in a shouting match with LB Andre Royal after the linebacker's first practice. Royal (73 tackles, five sacks last season) was later traded to the Colts. New Orleans' blitz-happy defense led the NFL with 58 sacks last season, and the club signed one of Carolina's best defenders in S Chad Costa (17 tackles). The season must start well—the Saints do not face a team that made the playoffs last season until New England in Week 5.

St. Louis Rams

1997: 5-11.

Mike White, the Raiders' coach from

1997 through '96, will tutor fumble-prone QB Tony Banks (3,234 yards passing, 14 TDs, 13 INTs). While might be more help if he could play offensive line. In Banks's 30 career games, he has been sacked 91 times. WR Isaac Bruce (56 receptions) is Banks's favorite target. The Rams believe they bolstered their running game by signing RB Greg Hill (530 yards rushing), but WR Eddie Kennison slumped from 54 catches as a rookie to 25 last season.

San Francisco 49ers

1997: 13-3 (lost to Packers in NFC championship).

QB Steve Young continues to put up superb numbers, but he has not played an entire season since 1994. The 49ers covered themselves by signing QB Ty Detmer. But the right side of the offensive line is a mess: Kirk Scafford, who started at tackle last season, may be forced to retire because of a bulging disk in his neck, while starting G Kevin Gagan has injured his neck and back. On defense, the club added CB Antonio Langham and LB Winfield Tubbs (160 tackles), but lost 27 of its 34 sacks.

NFC EAST**Arizona Cardinals**

1997: 4-12.

Despite a 4-12 finish, season ticket sales are up by 3,000. That's because the Cardinals appear to have one of the NFC's best defenses, led by Andre Wadsworth, DT Eric Swann, DE Simeon Rice and CB Aeneas Williams. Their rushing offense, however, was last in the NFL last season.

It will be helped by RB Adrian Murrell, who had consecutive 1,000-yard rushing seasons with the Jets, and RB Mario Bates (the Saints' leading rusher from 1994 to '95). It's a good thing second-year OB Jake Plummer is mobile; his line, which gave up 78 sacks a year ago (second-most in NFL history), has one new starter.

Dallas Cowboys

1997: 6-10.

Coach Chan Gailey, who had been the Steelers' offensive coordinator, replaced Barry Switzer, but that does not mean he will get a grace period. The team's stars are getting older and the organization is to a hury to forget last season's disaster, not to mention continuing off-field problems. The offensive line seems refocused.

There finally is a quality backup for RB Emmitt Smith—RB Chris Warren. Dallas's pass defense was

the NFL's best last season despite intercepting only seven passes.

New York Giants

1997: 10-5-1 (lost to Vikings in playoffs).

The youth movement resisted by former coach Dan Jim Reeves flourished last season under coach of the year Dan Fassel. The league's youngest defense forced 44 turnovers and had 54 sacks (14 by DE Michael Strahan), but this season's schedule is tougher. And losing LB Corey Miller and injured CB Jason Schorn will hurt.

But the Giants have a lot of depth on defense. QB Danny Kanell was 7-2-1 as a starter last season, and the passing game should improve with WR Ike Hilliard's return from a neck injury and the drafting of WRs Joe Jurevicius and Bryan Alford. RB Charles Way (698 yards).

Philadelphia Eagles

1997: 6-9-1.

Coming off the team's worst season since 1986, coach Ray Rhodes—the 1995 coach of the year—faces a critical year. QB Bobby Hoyer went from third-string to starter last season and finished with 1,573 yards passing, 11 TDs and 6 INTs. The QB job is his from the beginning this season. With RB Ricky Watters's departure, the running game primarily is

to 5-foot-9, 187-pound RB Charlie

Gartner's hands. But FB Kevin Turner (48 receptions) also should get his share of work. DE Mike Mamula (53 sacks, four INTs) will miss the season after tearing ligaments in his right knee. That makes a potentially tough early schedule look even more daunting.

Washington Redskins

1997: 8-7-1.

Seeking to make the playoffs for the first time since 1992, the Redskins have tried to shore up the league's 28th-ranked rushing defense by adding NFL defensive player of the year DT Diana Stubblefield and DT Dan Wilkinson. But now that the team is anchored inside, DE Rick Owens's injury could leave them vulnerable outside. But the linebackers and secondary remain strong, so improved run defense should mean improvement overall. The offensive line does not seem much better than it was last season, when the offense was ordinary. That will not make the lives of QB Gus Frerotte and RB Terry Allen any easier. Frerotte, who is trying to come back from a mediocre season, will be further handicapped if WR Michael Westbrook remains a disappointment.

AFC EAST**Buffalo Bills**

1997: 6-10.

QB Jim Harbaugh and coach Ted Marchibroda, who worked together in Indianapolis. Without Alexander, the health of WR Michael Jackson and WR/KR Jerome Lewis is important, as is the development of Johnson, who has tremendous speed. Potts and a line led by all-pro Ts Jonathan Ogden and Orlando Brown should be able to clear the way for RB Eric Rutherford and RB Jay Graham. Defensively, the Bills will remain the primary wide receivers and the line appears ordinary. Ted Washington and all-pro Bruce Smith (14 sacks at age 34) anchor one of the best defensive lines in the league. But with the losses of LB Bryce Paup (nine sacks) and LB Chris Spielman, who has breast cancer, unheralded LBs Sam Rogers, John Holecek and Gabe Northern will have a lot to do with the success of the defense.

Indianapolis Colts

1997: 3-13.

It's all about the No. 1 draft pick, QB Peyton Manning and new President Bill Polian. Polian, who helped build the Bills and then the Panthers, has been hard at work reconstructing the coaching staff. Manning already has a terrific running back, Marshall Faulk, and one talented wide receiver, Marvin Harrison (73 receptions for 866 yards, six TDs), but WR Sean Dawkins's departure means someone new will have to be the No. 2 receiving threat. But the biggest issue probably will be giving Manning time to work: the Colts allowed 62 sacks last season.

Miami Dolphins

1997: 9-7. (lost to Patriots in playoffs).

Time is winding down for Dan Marino to win a Super Bowl, and this doesn't look like the last. Last season ended acrimoniously, when the Dolphins scored a combined 15 points while losing their final two regular season games and their wild-card game. Now, there is a new offensive coordinator—Kippy Brown—and a new, run-oriented system featuring Karim Abdul-Jabbar and rookie RB John Avery. How will Marino react? Will he blend with a group of receivers that may as well be entirely new? A defense that was the AFC's third-worst last season should be improved.

New England Patriots

1997: 10-6. (lost to Steelers in playoffs).

Eruie Zampese, Dallas's offensive coordinator the past four years, has been

tired to improve an offense that has a strong talent base, albeit one that was weakened by star RB Curtis Martin's departure. The players' ability to adjust to a new system will be crucial. So will the progress of second-year DB Cedric Shaw and RB Robert Edwards. QB Drew Bledsoe passed for 3,706 yards and 28 TDs last season, and again will have a wide array of fine targets from which to choose.

Washington Redskins

1997: 9-7.

After coming within one victory of taking the team from a 1-15 record in 1996 to making the playoffs last season, coach Parcells has continued his reconstruction efforts. The biggest offseason moves were signing Curtiss Martin and lening QB Neil O'Donnell go. But if QB Glenn Foley—who has five career starts—fails, a controversy involving QB Vinny Testaverde is bound to erupt. LB Marvin Jones's injury forced New York to sign the outspoken Bryan Cox, and will place a greater burden on OLBs Mo Lewis (eight sacks) and James Farrior.

AFC CENTRAL**Baltimore Ravens**

1997: 6-9-1.

The offense begins with the reunion of QB Jim Harbaugh and coach Ted Marchibroda, who worked together in Indianapolis. Without Alexander, the health of WR Michael Jackson and WR/KR Jerome Lewis is important, as is the development of Johnson, who has

tremendous speed. Potts and a line led by all-pro Ts Jonathan Ogden and Orlando Brown should be able to clear the way for RB Eric Rutherford and RB Jay Graham. Defensively, the Ravens look like they will be able to rush passers.

Cincinnati Bengals

1997: 7-9, fourth in division.

Cincinnati signed free agent QB Neil O'Donnell to a four-year, \$17 million deal, and he proceeded to displace Jeff Blake, who had figured to start with the departure of Esiason to "Monday Night Football." O'Donnell will have quality WRs in Darrell Scott and Carl Pickens. RB Corey Dillon (1,139 yards rushing) had an exciting rookie season last year, including a 246-yard rushing game. Meanwhile, the defense appears to have been upgraded considerably.

Kansas City Chiefs

1997: 13-3. (lost to Broncos in playoffs).

Derrick Alexander (65 receptions for 1,009 yards with Ravens) gives Kansas City two 1,000-yard receivers (Andre Rison had 1,092) and reunites Alexander with former Michigan teammate, QB Eli Grigsby. New offensive coordinator Jimmy Raye probably will open the offense. LB Derrick Thomas should have more lanes to quarterback with the additions of ends Chester McClellon and Leslie O'Neal. The secondary is one of the league's best.

Oakland Raiders

1997: 4-12.

The Raiders had the NFL's worst defense last season, and they lost Chester McClellon, who will be replaced by Darnell Russell. But their hope for further reinforcement from second-round draft choice Leon Bender took a tragic turn when Bender died of a seizure. CB Charles Woodson, seventh Heisman Trophy winner to play for the Raiders, Offensively, things look promising with QB Jeff George (3,917 yards, 29 TDs, 9 INTs), WR Tim Brown (104 receptions for 1,408 yards), RB Napoleon Kaufman (1,294 yards rushing) and TE Rickey Dudley getting in work with Gruden, who had been the Eagles' offensive coordinator.

San Diego Chargers

1997: 4-12.

Ryan Leaf, Ryan Leaf, Ryan Leaf. Having taken Washington State to the Rose Bowl, the quarterback takes over an offense that was the AFC's worst. Two of the team's top three pass-catchers from last season are gone, but Leaf has RB LaDainian Tomlinson, a reworked line that now has several former Super Bowl players and looks much better than the one that allowed 51 sacks last season. Defensively, LB Junior Seau (nine sacks) and talented strong safety Rodney Harrison (132 tackles) will lead the way, but the Chargers need more pressure from the defensive line (league-low 27 sacks, league-worst 425 points allowed), especially from DEs William Fuller and Marco Coleman.

Seattle Seahawks

1997: 8-8.

Warren Moon, who will be 43 in November, threw for 3,678 yards and 25 TDs last season, then got into a protracted contract dispute. Now he will try to take the team to its first playoff game since 1988. That would be nice, given the millions owner Paul Allen has paid to free agents and draft picks. WR Joey Galloay (72 receptions for 1,049 yards and 12 TDs) almost makes up for the lack of depth at that spot.

NFC WEST

Atlanta Falcons

1997: 7-9.

Last season RB Jamal Anderson

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POSTCARD

*A Sign of the Times?*By Amanda Hesser
New York Times Service

NEW YORK—When you arrive at Church Street between Franklin and White in search of 2 Seven 7, you are presented with a number of choices. There is a restaurant on the corner, lights aglow, but its sign says "Arqua."

There are black doors set off by tall columns that look like the entrance to a boutique under renovation. There are two shuttered shops. And there is, in fact, a door marked "277." Many people press the button at this door; but it buzzes some unfortunate tenant's apartment.

Which place is actually 2 Seven 7? The one behind the black doors. James Di Zazzo, an owner of this restaurant-of-the-moment, explained the situation. "I just chose not to put a sign because it's kind of cool and it's kind of the vibe of downtown New York."

"Who needs a doorman, when no one can find the door?"

Just when it seemed that the city's scene restaurants had



worked all the angles—from secret reservation numbers to exclusive back rooms—they have come up with another doozy. It is actually a simple psychological tactic: make something hard to find, and people, at least Manhattan's voracious scene-seekers, will want it all the more.

Never mind that the restaurant in question may offer only so-so service and mediocre food. Those who manage to find the place are in the know, and that's all that matters.

A few of New York's most popular restaurants, like Chez Es Saada, Moomba and Lot 61, are practically blank walls facing pavement. Others, display the tiniest, most cryptic variations on a sign—like the banner bearing a circular symbol that is supposed to lead you to Bond Street, a sushi restaurant in the East Village. Or the three blocks painted with vertical black bars that mark the entrance to Union

Pacific on East 22d Street, a restaurant that takes its understated decor seriously.

What could the Union Pacific symbol mean? Believe it or not, the blocks represent mahjong tiles, and the bars are meant to be read as the numeral 1—11 is the street address. Alert the mailman.

Even more esoteric, Blue Ribbon Sushi at 119 Sullivan Street displays a concrete relief with three kanji, the characters representing "Blue Ribbon Sushi" in Japanese. Which is helpful for all those people who can read kanji.

At its sister restaurant, Blue Ribbon, the name is painted in small print on the door, but for a long time, said Eric Bromberg, an owner, customers thought its name was "Oysters," which is what the blaring neon sign in the window says. (Experience hasn't moved Bromberg; his latest restaurant, Blue Ribbon Bakery, has no sign at all.)

New Yorkers are pretty savvy about what's new," said Amy Sacco, the owner of Lot 61, at 550 West 21st Street. "I think they like not knowing. There's an element of excitement to not knowing." Outside her restaurant is what she calls a "stamp" with the name Lot 61. "It's like you can't see it," she said. "Nobody ever finds it."

Instead, they ask someone at the taxi garage down the street or at the Opera, a nearby nightspot.

"They say they're a directory service for Lot 61," she added.

So what's the point? Cultivating mystique, after all, can go only so far. "I think it's a marketing ploy, more than anything else," said Adam Tihany, the designer of such restaurants as Le Cirque 2000 and Jean Georges. "Especially in a place like New York, where people will find any excuse so you can talk about it."

Or it could be the antidote to the in-your-face approaches, you get at places like Planet Hollywood and the All-Star Cafè.

Restaurateurs who disdain signage, of course, claim to have a higher purpose.

Di Zazzo admits that not having a sign at 2 Seven 7 is a hassle for his customers—some of them celebrities like John F. Kennedy Jr. and Amber Valetta. But, he said, "I do it so they can feel a little more secure and a little more isolated in New York City."

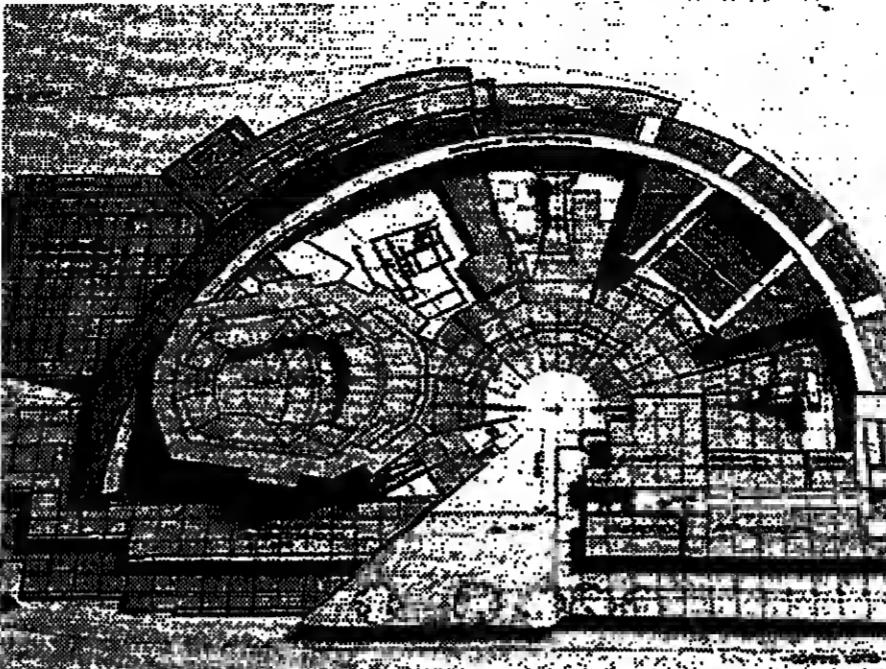
Of course, that raises the question: If that's what you're after, why go out at all?

Rome's Concert Center Rises From the RuinsBy John Tagliabue
New York Times Service

ROME—Four years after winning his first commission to design a building in Rome, Renzo Piano watches as three concert halls, known collectively as the Rome Auditorium, rise on the northern outskirts of the city; he hopes they will be ready by 1999, the eve of the new millennium.

Work on the auditorium, the latest project in Italy by the 60-year-old architect, the winner of this year's Pritzker Architecture Prize, has been delayed by criticism of its design and materials, and by the discovery on the building site of Roman ruins. (It is hard to drive a spade into Roman soil without striking ruins.)

Perched atop a vast horseshoe-shaped base of brick and travertine, the \$145 million auditorium comprises three beetle-shaped halls—the largest for 2,700 people, the two smaller ones for 1,500 and 500—and will surround a 3,000-seat outdoor amphitheater. The complex will have restaurants, museums of music and musical instruments, and rehearsal halls, including one sufficiently large for a 120-piece orchestra plus



Part of Renzo Piano's architectural plans for the Rome Auditorium.

A museum will house Roman artifacts and objects found during the digging, including pottery and a remarkable decorative mask.

To be sure, Piano is neither a stranger to controversy nor a newcomer to the design of rooms for music. "I am passionate about music, though not a great expert in music," he said. A close friend is Luciano Berio, the Italian composer.

In 1971, Piano gained instant fame when he and Richard Rogers designed the museum and library in Paris known as the Georges Pompidou Center, with a dramatic, brightly colored exterior of tubes and pipes. With Berio and the French composer Pierre Boulez, Piano also created an underground center for experimental music beside the center.

Piano is a practical man, more interested in getting a building built than in defending the purity of a concept. Modifying the auditorium's design to make the Roman ruins—low walls in volcanic tufa stone—visible to visitors, he said, "was not a problem; it was an enrichment."

The ruins gave "a special taste to the building," he said. "So a part of the scheme is belonging to Rome, while another part is belonging to the universe of music."

"We've been through 63 years of abstinen^ece," complained Bruno Cagli, general manager of the Santa Cecilia, which now rents a hall in central Rome from the Vatican.

By the early 1990s, Rome had a new mayor, Francesco Rutelli, who resolved to embellish the city for the Jubilee. In 1994, an international competition among eight invited architects, including the Dutch architect Herman Hertzberger, was won by Piano.

Piano's plans for the Pompidou Center and for Berlin's Potsdamer Platz also triumphed because of their imaginative use of vast open plazas. At the auditorium, a horseshoe-shaped foyer with restaurants and stores will surround the amphitheater. The concert halls are made of laminated wood sheathed with lead and the architect compares them to the resonance chambers of "three gigantic instruments."

"Wood is not a Roman material," Piano acknowledged, "but it will be covered with lead, and lead is a Roman material."

Work proceeds in several shifts, 14 hours a day, but there is no certainty that all will be ready on time.

"We're keeping our fingers crossed," Piano said.

PEOPLE

A Mexican journalist who survived an assassination attempt last year is among four winners of the 1998 Maria Moors Cabot Prizes, Columbia University has announced. The prizes, for reporting that contributes to inter-American understanding and freedom of the press, will be presented Oct. 22 to J. Jesus Blanqueras, editor in chief of the weekly *Zeta* in Tijuana, Mexico; Andres Oppenheimer, a foreign correspondent and columnist for The Miami Herald; Edmundo Cruz Vilchez, a reporter for La Republica in Lima, Peru, and William Lawrence Rohter Jr., Caribbean and Central American correspondent for The New York Times. Blanqueras was shot four times and his driver was killed when his car was sprayed with bullets in November. A Mexican judge has issued arrest warrants for seven members of a San Diego gang in connection with the murder and attempted assassination.

Sign copies of his book when he was admitted to Memorial Medical Center on Sunday. He remains in the coronary intensive care unit. Doctors said he will probably be released in a few days but still might need surgery.

Robert A.M. Stern, who has designed notable buildings for Berlin, New York's Battery Park City and Walt Disney Co., is expected to be named Wednesday as the dean of the Yale School of Architecture. He will replace Fred Koetter, who has been dean for five and a half years and will return to private practice while remaining a part-time adjunct professor.

John Berendt, author of the best-selling book "Midnight in the Garden of Good and Evil," was hospitalized after suffering a mild heart attack. Berendt, 58, was in Savannah, Georgia, to

responding to protests from Indians and ecologists, a German artist says he will return a 30-ton rock he took from a pristine national park in Venezuela. Wolfgang Schwanzenfeld wanted to include the rock in a Berlin exhibit of stones from around the world, but it was taken from Canaima National Park, home of the world's highest waterfall and mysterious flat-topped mountains that help inspired Sir Arthur Conan Doyle's classic adventure story, "The Lost World." Schwanzenfeld decided to return the rock after protesters tried to block a truck that was carrying it out of the park.

In 1998, the Habsburg Emperor Maximilian I decreed that soprano and alto parts be provided in the sacred music performed for the monarchy in the Imperial Chapel. Thus, the Vienna Boys Choir was established. In celebration of its 500th anniversary, the ensemble will tour 10 North American cities from Oct. 12 to 25. Joined by the Chorus Vienensis, an ensemble of former Vienna Boys Choir members, and by the Vienna Chamber Orchestra, the group will present works by, among others, Mozart, Haydn, Schubert and Antonio Salieri, the choir's artistic director for nearly 40 years.



CIAO—Steven Spielberg arriving for the Venice Film Festival. His film "Saving Private Ryan" will open the festival, which runs from Thursday until Sept. 13.

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